SEPTEMBER 16, 1955 20 CENTS

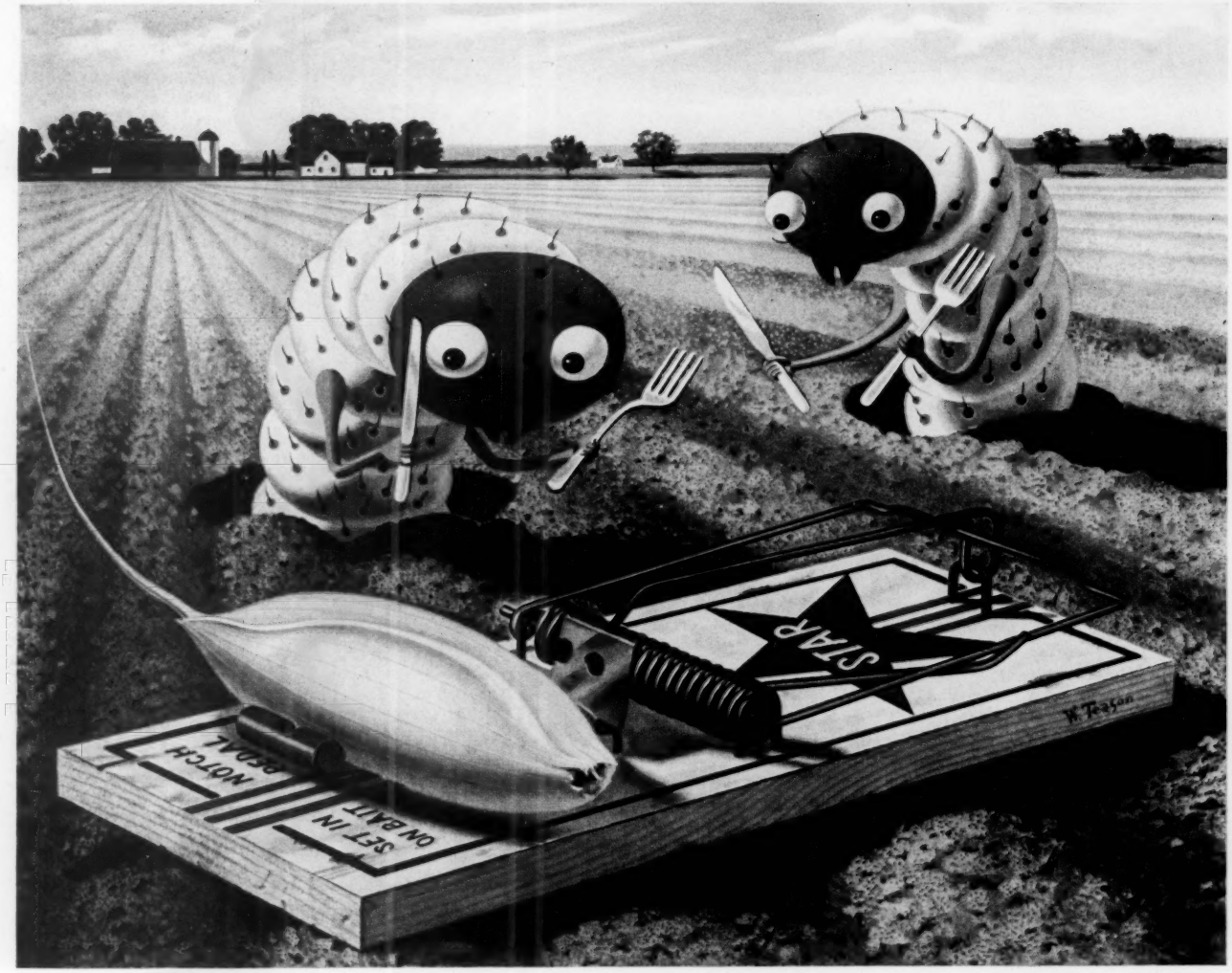
U.S. News & World Report

The United States News & World Report

IS BOOM GETTING OUT OF HAND?

A City— 200 Miles Long?

THE STORY OF LOS ANGELES



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TIME WAS WHEN Farmer Jones had no assurance the seeds he planted would sprout before underground insects destroyed them.

Now, he protects his stand by treating seeds with Shell Chemical's dieldrin *before* planting. Seed in the ground now has a better chance to germinate, because this powerful insecticide fights back and kills soil insects that molest the seed . . . to create an underground "bug trap."

Dieldrin's long-lasting action permits growers to treat seed at their convenience—plant later. And farmers are spared the cost of replanting spotty fields. Effective in small doses, dieldrin kills insects if they eat, breathe, or touch it.

Dieldrin is famous as a killer of grasshoppers and cotton boll weevils, and is well known as an outstanding insecticide for lawn and household pests. Development of effective insecticides is one of many ways in which Shell Chemical helps agriculture and industry to improve products, reduce costs.

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Free choice in a free market—that's what "just looking" means to more than 20 million Americans shopping in the nation's department stores every weekday. The department store shapes its existence around *you,* the customer—you with your love of home and family, your desire to be well-dressed, your enthusiasm for travel, sports, social life.

Today's popular retail merchant, with an alert eye to competition, applies experience, judgment and imagination to the selection and development of more and more quality merchandise. He presents it in attractive displays and timely promotions. He watches trends in taste. He studies changing patterns in living. He continually improves the appearance, comfort and efficiency of his store. His goal—a growing share in a mounting $15 billion annual sales volume, won through your confidence in the integrity of his firm name.

At this moment, your favorite department stores are entering into exciting new areas of progress and service: simplified selling and intensive consumer research; prepackaging; specialized personnel training; functional suburban branches; engineering techniques applied to stock-taking and record-keeping.

With an unlimited variety of goods from many lands placed before them, thanks to the individual initiative of our nation's retailers, the American people enjoy a freedom of choice unmatched throughout the world.

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IN THIS ISSUE

★ Are Russia's Schools Better Than America's?

Here is an exclusive report by two U. S. experts on how Russia is gaining on the U. S. in the training of scientists and engineers. Their findings start on page 94. Also, on page 124, Allen W. Dulles, Director, Central Intelligence Agency, discusses this step-up in education, but sees it as a threat to Communist rule in Russia.

★ Mystery Behind the Death of a U. S. Secret Agent

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THE UNITED STATES NEWS

WORLD REPORT

U. S. WEEKLY
Three Titles Reg. U. S. Pat. Off.

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COMING SOON—THE *FORWARD* LOOK '56

THE BEST NEW-CAR NEWS FOR YOU

It will come to you in the all-new cars of Chrysler Corporation . . . Plymouth, Dodge, De Soto, Chrysler, Imperial.

It will come in a fresh new style concept we have named THE FLIGHT-SWEEP. Never have you seen cars that *look* so completely right for today . . . and tomorrow.

It will come in new ideas of performance and of driving response and control.

There will be new PUSHBUTTON POWERFLITE. A touch of a finger on your left hand will push a button on the dash to give you instantly the driving range you want.

There will be still greater power, performance and economy from the finest and most advanced new powerplants in any cars today.

There will be new hydraulic braking systems that are without equal in the sureness and the ease of their operation.

There will be a kind of all-road riding comfort that is literally in a special class all by itself among modern cars.

There will be *full-time* Safety-Touch Power Steering . . . the most advanced and enjoyable single driving control of these times.

For—*and remember this*—these are no ordinary "new cars."

These are the cars of the *second* challenging year of THE *FORWARD* LOOK.

In 1955, Plymouth, Dodge, De Soto, Chrysler and Imperial set out to break sharply from the past and to carve a bright new future . . . new for us and new for you.

Within a few short months many more than a million families have bought the cars of THE *FORWARD* LOOK. And again and again they tell us that till they had them, they had not dreamed such cars could exist.

Now, for 1956, these new cars of Chrysler Corporation will be still farther ahead of all others . . . still more outstanding in what they give you for your money.

The company that pioneered safety-cushioned instrument panels, that brought you sure-vision electric windshield wipers and blowout-holding safety-rim wheels, offers you the safest cars your money can buy today.

Their bodies and frames are the most rigid and best constructed in the industry. They will have new LifeGuard door latches that hold fast under stress as none have ever done before. They will be the only cars available with *two* separate and independent braking systems . . . one for the foot-pedal, the other for the hand-brake.

On any of these cars, if you wish, you may have Safety Belts for front seat and rear.

Yes, these will be the cars to see . . . *and to own* . . . if you are buying for 1956.

In any price range, from lowest to most luxurious, these will be cars that bring you things other cars will not yet have for you, regardless of what you pay.

And they will be ready for you at your dealer's . . . very soon!

CHRYSLER CORPORATION

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Tops in TV Drama—"Climax!"—CBS-TV, Thursdays

THE DONKEY AND THE THISTLES

He was hungry all right, but not for any of the food he was packing out to the field hands for lunch. That didn't tempt him a bit.

Then he spotted some delightful looking thistles. No donkey could pass them up, of course, so he sat down and munched happily away. Which was just Aesop's way of saying that one man's meat is, indeed, another man's poison.

And in this business of investing, that's a point well taken.

Some people should stick to stocks that are comparatively safe —stocks that don't fluctuate too widely in price and have an unbroken history of dividend payments.

Others can afford greater risk for the sake of a greater return on their money.

Some people should select stocks on the basis of their prospects for price appreciation over the years ahead regardless of present yield.

And of course, there are others who, quite frankly, shouldn't buy stocks at all, who should take care of a home, insurance, and a fund for emergencies, first.

What should you do in your own situation? Which stocks should you buy? We'll be happy to prepare the most suitable program we can to fit your funds, your objectives.

There's no charge of course. No obligation, either. Simply write to—

WALTER A. SCHOLL, *Department SA-35*

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The March of the News

WORLD TROUBLE SPOTS

TRUCE OFFICIALS sought to establish a demilitarized zone 1,100 yards wide along the Gaza border between Israel and Egypt. The purpose was to prevent a repetition of the fighting, raiding and sabotage that in two weeks took at least 70 Israeli and Egyptian lives.

In Algeria, with nationalist, anti-French feelings rising, rebel outlaws ambushed and shot a Frenchwoman and her two daughters. In France, police raided Algerian communities in a search for "agitators" said to be helping the Algerian rebels.

The situation in French Morocco quieted, for the time being at least. The French Government, meanwhile, sought a formula that would calm the Moroccan nationalists and also be acceptable to conservative groups at home.

ATOMIC POWER IN RUSSIA

MOSCOW SURPRISED a group of foreign diplomats, including Ambassador Charles E. Bohlen of the U. S., with a guided tour of a Soviet plant producing power from atomic energy. The diplomats drove in a convoy of their own automobiles to the atomic station, situated in a great pine forest about 66 miles southwest of Moscow.

There they found two buildings, one containing the atomic reactor and the other a steam-generating plant and turbines for generating electricity. The equipment seemed to be of Russian design and manufacture.

The diplomats were told that the plant uses 30 grams of uranium a day, roughly the equivalent of 100 tons of coal. Its capacity is 5,000 kilowatts, and other plants of up to 200,000 kilowatts capacity are under construction.

REDS TO THE ANTARCTIC

THERE WAS OFFICIAL WORD from Russia last week that a scientific expedition soon is to leave for two years of exploration in the Antarctic. This confirmed an article in *U. S. News & World Report* of Sept. 9, 1955.

The expedition is to consist of a 12,000-ton ship, an auxiliary vessel and an air arm of "several transport planes and helicopters." The exploration is to be part of the International Geophysical Year, 1957-58, during which several nations, including the U. S., are making co-ordinated observations. A U. S. Navy expedition is to leave for Little America on November 1.

The Russian announcement gave a long list of stated scientific goals. Those who have kept track of the Soviet's interest in the Antarctic, however, think that it is only a question of time until Moscow demands the right to establish a permanent base there and to participate in decisions concerning the area.

PATH OF THE BOMB

SOUTHERN CALIFORNIANS had been aware for several years of some highly secret operations at the lower end of the Salton Sea, a large salt lake surrounded by desert and lying below sea level. The Atomic Energy Commission finally told them what was going on.

Atomic-bomb casings—containing scientific instruments, rather than explosives—are dropped from bombing planes. The object is to study the falling habits of various types of bomb. The results are important in perfecting bomb designs, release mechanisms and aiming systems.

It cost 5 million dollars to build the Salton Sea base. Tests usually take place three times a week, at a cost of $30,000 to $50,000 each.

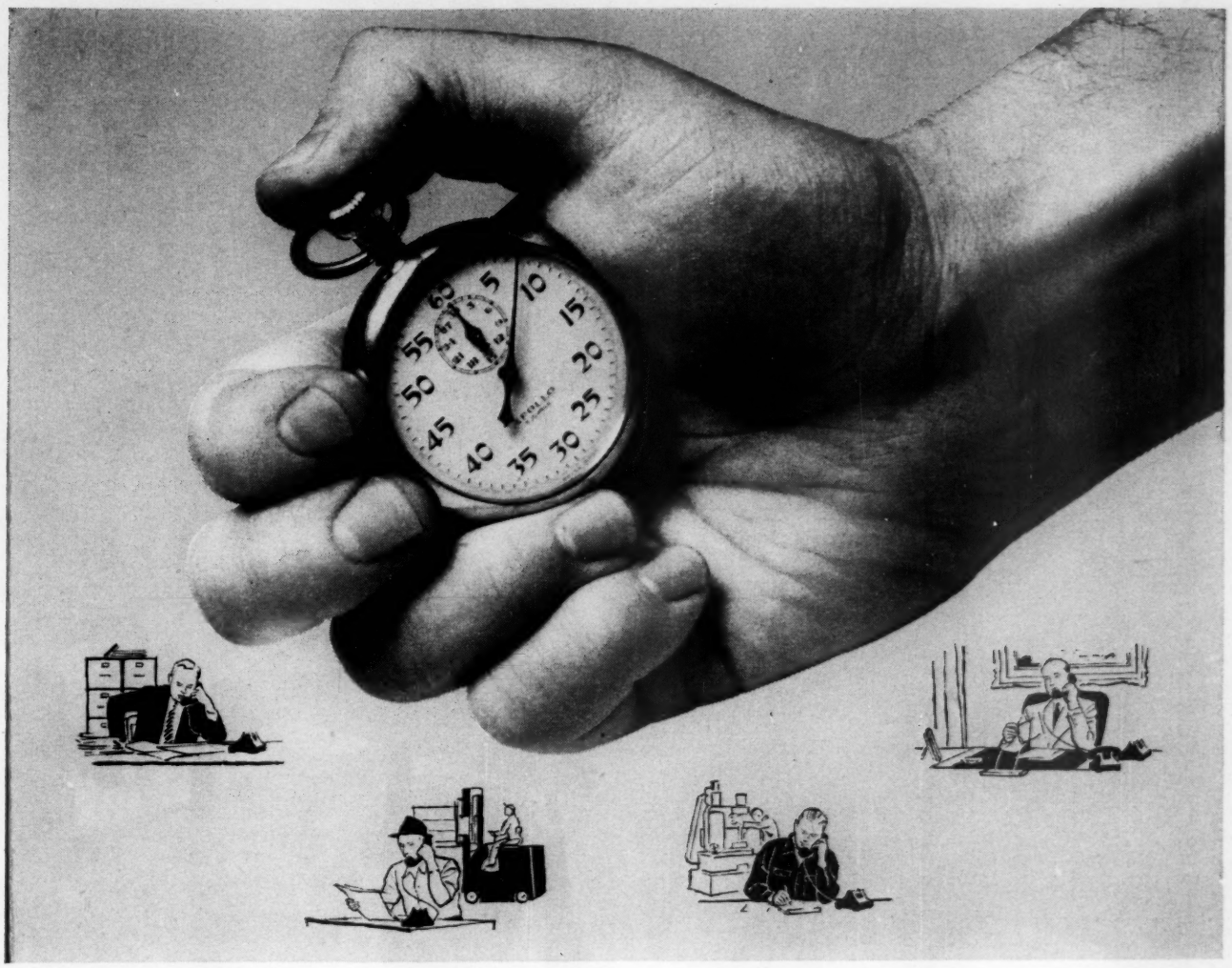
THE KESSELRING INTERVIEW

ALBERT KESSELRING, a key field marshal for Hitler in World War II, is coming in for a lot of criticism by Germans for statements he made in a recent interview published by *U. S. News & World Report* in the issue of Sept. 2, 1955

In that interview, Kesselring said that Germany could have won World War II but for several strategic blunders by Hitler. He said Sir Winston Churchill's "biggest mistake" was in not making peace with Germany in 1943 to keep the Russians out of Europe. He also criticized U. S. military strategy.

German critics generally took the line that Kesselring's remarks unnecessarily revived old animosities at a time when West Germany is trying to win the confidence of its former enemies. One German newspaper said, "Herr Kesselring has once more put his elephant's foot down in the china shop of our international relations."

One organization of German war veterans, the *Stahlhelm*, or Steel Helmet, attempted to deny that Kesselring had given any interviews, although a regional editor for *U. S. News & World Report* interviewed him for six hours in his hospital bed in Bad Oeynhausen, Germany, in the presence of a former German general who is a close friend of Kesselring's.



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The Bell System private line telephone service gives you direct, continuous service for personal contact with your company's plants, factories, sales offices—even though these may be hundreds of miles apart.

There are many applications of private line service. One type gives you the advantage of local telephone service in another city without having a branch office there. You are listed in the out-of-town telephone directory and have a private line from your office to the telephone switchboard in that city. Your customer, in the distant city, merely calls a local number and the call comes directly to your office. Likewise, you can call your customers in that city.

Through the efficient application of modern communications, your Bell Telephone representative can help you find ways to improve operations, lower costs, and provide better, faster service to your customers. Why not call him today?

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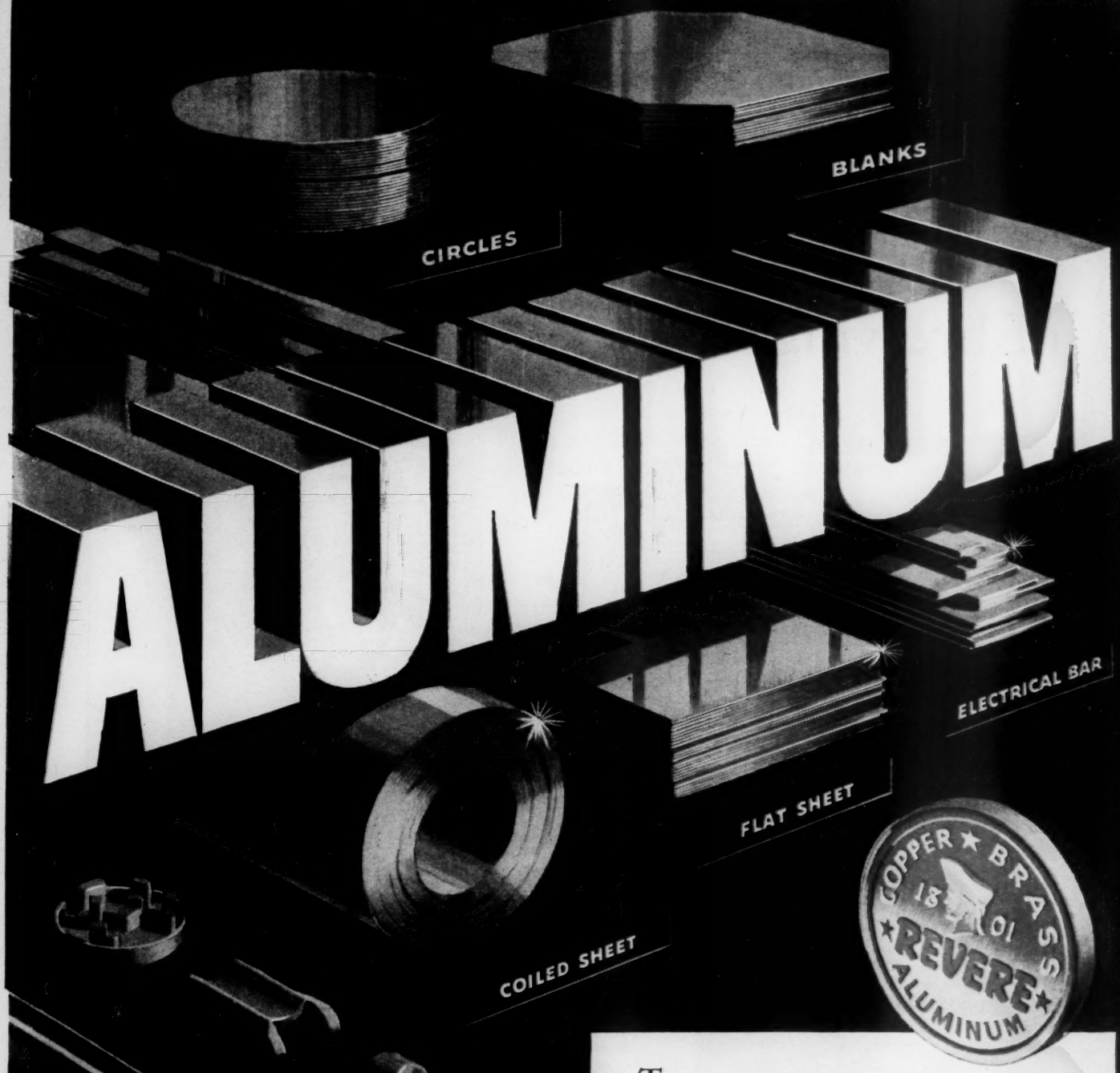
SEAMLESS DRAWN TUBE
ROLLED SHAPES & MOULDINGS
LOCKSEAM TUBE



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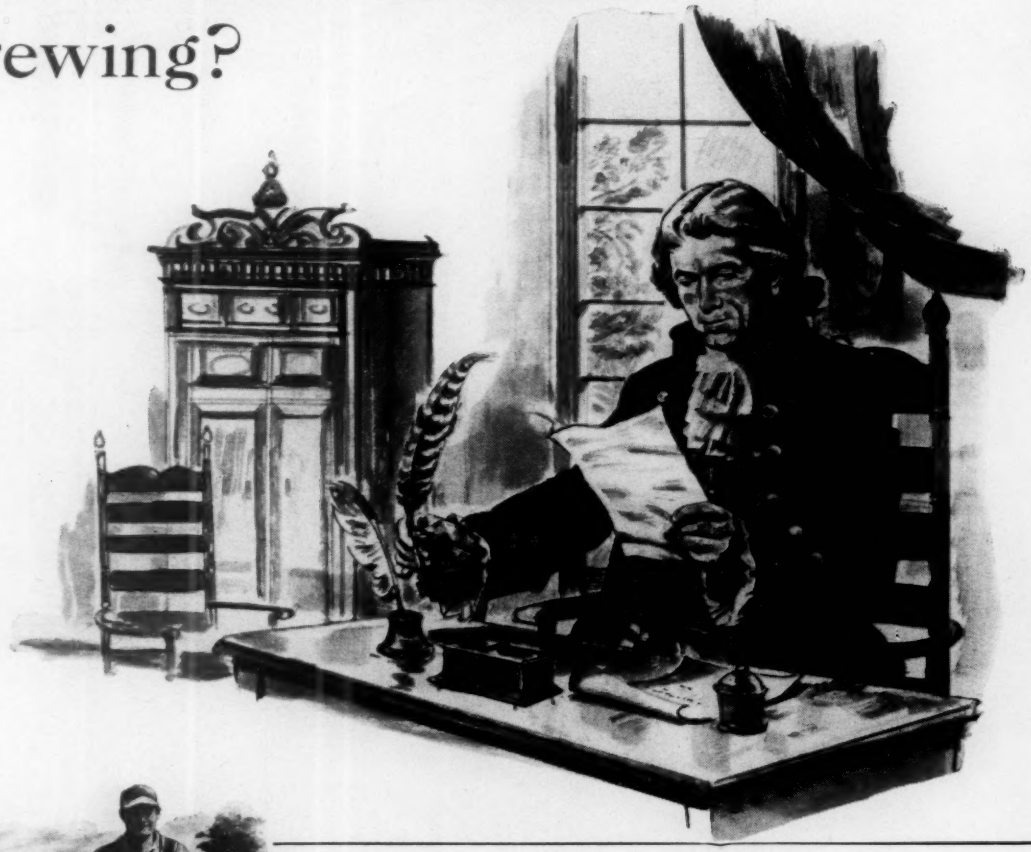
If we are supplying you now, we believe you will agree that Revere knows its A-B-C's—"A" for Aluminum, "B" for Brass, "C" for Copper.

If you are not yet a user of Revere metals, we will welcome the chance to show you what the Revere A-B-C's and the Revere Technical Advisory Service can mean to a manufacturer today. Why not call Revere now? Revere Copper and Brass Incorporated, *Founded by Paul Revere in 1801.* Executive Offices. 230 Park Avenue, New York 17, N. Y.

Did you know Thomas Jefferson brought brewmasters to this nation to teach us the art of brewing?



Jefferson, a farmer in his own right, no doubt recognized the interdependence of Brewing and Agriculture. Today the Brewing Industry uses over 3 million acres of farm products every year.

Like many of our Founding Fathers, Thomas Jefferson, author of the Declaration of Independence, regarded beer as a beverage of moderation. Speaking of our then infant brewing industry, Jefferson once wrote, "I wish to see this beverage become common." Toward this end, he asked expert brewers to come over from Bohemia to teach Americans the art of brewing.

Jefferson's wish was fulfilled—for beer, the beverage of moderation, is now served in about two out of every three homes in America.

United States Brewers Foundation... Chartered 1862

One of America's Oldest Continuous Non-Profit Trade Associations
Representing over 86% of the Country's Malt-Beverage Production

FROM THE NATION'S CAPITAL

Tomorrow®

A LOOK AHEAD

Newsgram®

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Washington, D.C.

These are things that you can put down as almost certain:

Eisenhower will run again. Nixon will run with him. An Ike-Nixon team in a time of prosperity will be very difficult for Democrats to beat.

Prosperity will continue through election time at least.

Taxes on individual incomes will be cut moderately in 1956. Tax cuts will favor the smaller taxpayers. Corporation taxes probably will not be cut.

Money to borrow, a little tight now, will be loosened by mid-1956.

Borrowed money will remain relatively cheap. Mortgage money will not be made much, if any, more expensive. Installment terms, likewise, will not be made much, if any, harder to meet. Money will be loosened up, will be made easier to borrow at the first sign of any dent in prosperity.

Good times, prolonged, are the goal of all present policy.

The dollar will be kept sound. A budget balance will be realized.

Cost of living is to rise little. The dollar's value, in other words, is going to remain about what it is. Incomes at the same time will be higher.

Living standards again will rise. A higher standard of living, a full dinner pail, plus at least one car in every garage, one house for every family, two chickens in every pot, will be counted on by Republicans to win for them.

George Humphrey, Treasury Secretary, will continue to shape the basic policy of Government toward business and finance. Humphrey policies are conservative, cautious, tied strongly to encouraging private enterprise.

Inflation, in mild form, no longer is viewed with disfavor by those who shape Republican policy. Deflation today has very few advocates.

The goal of Humphrey policy is a continuing gentle rise in income, in spending, in industrial activity. The catch is that, with things headed up, there's always a tendency for excesses to develop, for the balance to be upset, with a resulting upset to business as corrections are forced.

Right now the sailing appears smooth for a good many months ahead.

Pay raises will continue to be given. Salaries will go up with wages.

Strikes over the year ahead are likely to be few. Agreements in big industries often are on the basis of two or more years. Unions in 1956 will be stressing politics; will prefer to avoid big strikes that stir voters.

Employers, with business good, will prefer stability to strife.

Higher pay, steady work, absence of many big strikes will stimulate the

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feeling of good times, add to what already is a growing optimism.

Aid for a superhighway program very probably will be voted in 1956. School-building aid will be pushed hard, but still faces big hurdles.

Farmers almost surely will get something from Congress next year. Soil-bank idea will get much Republican support. That's a plan for lease by the Government of surplus acres, with a requirement that acres leased cannot be planted to specific crops. Democrats, probably, will go strongly for return to rigid price supports at 90 per cent of so-called "parity."

Rigid price supports, if voted, will probably be vetoed. Lease plan for acres diverted from surplus crops then would be offered as the alternative.

Physicians and dentists, quite probably, will be brought into the Social Security system. Tax deduction for specific amounts of income set aside by members of these groups for retirement might also be voted.

Members of Congress in 1956 will be under pressure to appeal to as many groups of voters as possible. Farmers, in particular, are due for attention.

Auto sales at a high level are counted upon to continue in 1956.

New houses, too, will be built and sold in large volume. Building of new houses, however, is likely to be a bit slower in 1956 than in 1955.

Auto output between 6 and 7 million, new-house construction at more than a million units will still be strong factors in the prosperity.

New cars in 1956 again will be in bright colors. Color combinations are popular. Power will be stepped up in many makes. Transmissions will be improved in some to give a smoother flow of power. Torsion suspension is to get expanded use as a way to add to rider comfort.

Big changes in engines will be few. Appearance and safety factors will be stressed. Safety latches will be stressed for doors. Safety belts will be optional on most cars, standard equipment for some.

New-car prices, on 1956 models, may be a few dollars higher. List price, however, and actual sales price, very often are different things. Price is dependent upon trade-in allowances or discounts for cash. Price, too, tends to vary by dealers depending upon the urgency they feel to move cars.

Discounting will continue in 1956. Big discounts are being offered now by many dealers pushing 1955 models before the 1956 ones start crowding in.

List prices and actual prices are two different things on a variety of products. Discounts seem more the rule than the exception not only on new cars, but on TV sets, radios, household appliances of many kinds. Competition continues to be very strong even in this period of high-level business.

Arms spending by Government is in a definite downtrend. Armed forces, now spending at a rate of about 35 billions a year, are likely to be down to a rate close to 33 billions or even less than 33 billions by next June.

Business spending on plant and equipment, Government spending on public works are likely to rise enough to offset cuts in arms spending. Consumers, in a spending mood, will account for much of an over-all spending rise.

The official line continues to be to play down anything that might be an irritation to the Soviet Union, to stress a feeling of sweetness and light.

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THIS MAN IS GOING TO A FIRE!

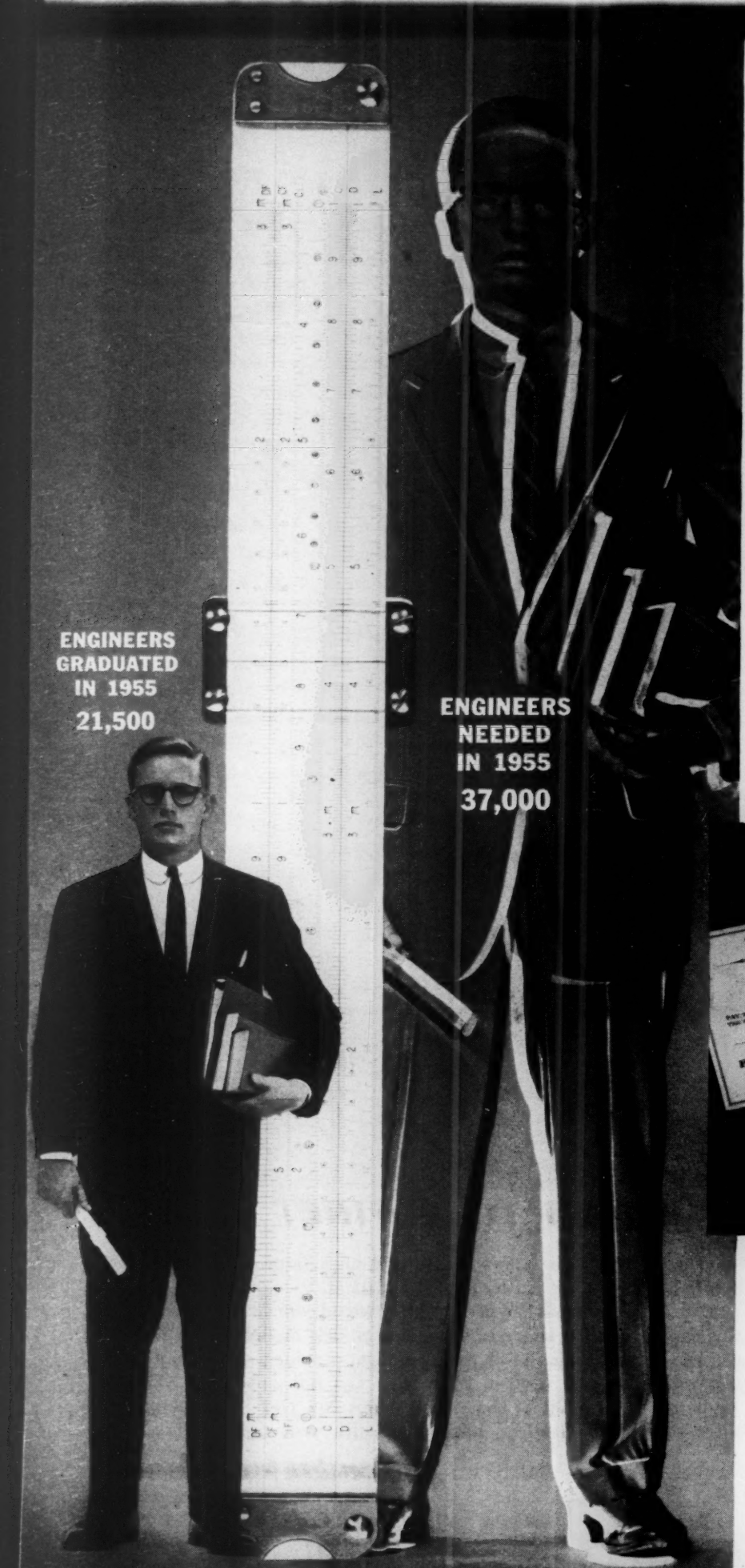
He thinks he's going to his office – as usual. But at this minute his office is a roaring mass of flames! Before he arrives it will be completely gutted!

Fire Insurance? Sure – well covered. But that fire's going to put him out of business! You see he never knew that nearly half of all businesses that *lose their records* to fire never reopen their doors! Worse still, he didn't realize how securely (and economically) vital records can be protected right at their point-of-use in insulated equipment by Remington Rand.

If this had been your fire would *your* vital records have come through? Some 200 models of Remington Rand *certified* insulated equipment provide a choice to meet every need in your office. Get full particulars NOW. Ask for SC684 – "Down But Not Out"... Remington Rand, Room 1920, 315 Fourth Avenue, New York 10.

Remington Rand

DIVISION OF SPERRY RAND CORPORATION



AS GENERAL ELECTRIC SEES IT...

Here are 5 ways to

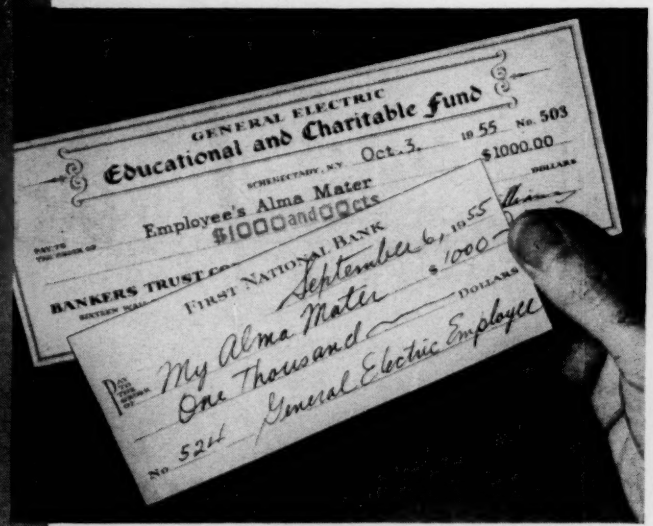
For every 5 new engineers industry needed this year, there were only 3 graduated from U. S. colleges

In 1955, U. S. industry had jobs for an estimated 37,000 engineers; our colleges graduated 21,500.* This shortage, typical of recent years, is creating an increasingly serious problem — for engineers and scientists hold the key to progress in this swift-moving technological age.

At General Electric, for example, nearly 17,500 of our people are trained in engineering or science, and we have opportunities for a thousand more technically trained people each year. The need may double in the next 10 years.

As we see it, industry, working with educational institutions, can do much to solve the shortage. On these two pages are some of the things we believe will help:

*Estimates are from the Engineering Manpower Commission of the Engineers Joint Council.



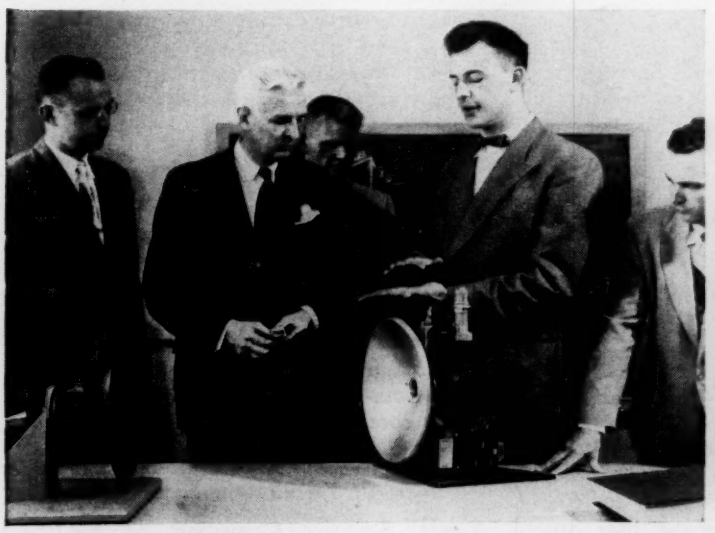
3. Help schools financially. Nearly half of U. S. colleges operate in the red. Since 1922, G.E.'s aid-to-education program has included fellowships, scholarships, and other financial support. In addition, the General Electric Educational and Charitable Fund matches, dollar for dollar up to $1,000 a year, contributions by each employee to his college.

For a detailed discussion of our views on "Basic Relations Between Education and the Economy," write General Electric, Department C2-119, Schenectady, New York.

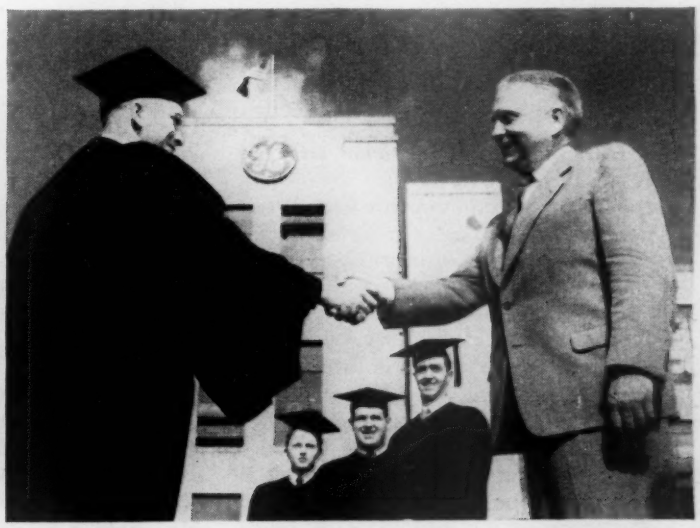
help solve America's critical shortage of engineers

1. Help guide young people's careers. More high-school students will take the courses they need to become engineers if they know of the wide opportunities in the field. Since the 1920's, General Electric has tried to create interest by distributing a variety of school training aids. (Above, a teacher counsels students, using a G-E career guidance booklet, "Why Study Math?") In the past 10 years, schools have requested 63,000,000 copies of our training aids.

2. Bring businessmen and educators together. An understanding of the role math and science play in business can help teachers prepare students for careers. The group above is the latest of 1,450 high-school teachers to attend G.E.-sponsored summer fellowship programs. Here they have the opportunity to study at several leading colleges and to see firsthand the value of their work to business. We have also conducted conferences for college educators since 1924.



4. Educate employees on the job. The development of young people must continue after they start to work. At General Electric, we have 12 formal educational programs; the oldest — Engineering — was started nearly 60 years ago. (Above, Clarence Linder, Vice-President — Engineering Services, reviews work of engineers enrolled in our Creative Engineering Program.) More than 10,000 technically trained men and women have participated in these programs.



5. Encourage self-development. Young people with aptitude should be helped to move ahead. For example, the young men above joined our Apprentice Training Program as high-school graduates in 1949; this year they are graduate engineers from the U. of New Hampshire after a 6-year work-and-study program sponsored by our Meter Department. Donald E. Craig, General Manager of the Department, congratulates the men and welcomes them to full-time jobs.

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Washington Whispers®

[Items appearing on this page are reported in Washington and other news centers]

"Front Porch" Campaign for Ike? . . . Stevenson Finds Nomination Not in Bag . . . Greece: New Worry for U.S.

Harry Truman, former President, is causing some discomfort to Adlai Stevenson by his line of attack upon President Eisenhower and his Administration. Mr. Stevenson prefers a lighter touch in waging political war at this stage.

★ ★ ★

Friends of Richard Nixon, Vice President, say they have heard reports that Joseph McCarthy, Wisconsin Senator, is supporting a move within the Republican Party to drop Mr. Nixon from the Republican ticket in 1956.

★ ★ ★

Mr. Stevenson, who headed the Democratic ticket in 1952, is discovering that a good many of the local political leaders who supported his nomination that year are cool to the idea of giving him a second try in 1956. He finds that his nomination is far from a sure thing.

★ ★ ★

A Harriman-Kefauver ticket, with the New York Governor for President, the Tennessee Senator for Vice President, is being predicted by some astute politicians in the Democratic Party.

★ ★ ★

President Eisenhower is being told that Republicans with the best chance of taking Senate seats from Democrats in 1956 will make the try only if Ike consents to run again. That is reported to be true of Governor Paul Patterson of Oregon, who is being urged to try for the seat held by Wayne Morse. It also is reported of John Sherman Cooper if he is to oppose Earle Clements in Kentucky and of Jacob Javits if he is to oppose Herbert Lehman in New York.

★ ★ ★

Ike no longer makes much effort to refute statements by top-ranking Republicans that he will go along with a 1956 draft move.

★ ★ ★

Mr. Eisenhower is informed that the party will not expect him to make a barnstorming type of campaign next year, but will be content with something closer to a "front porch" campaign, centering around television and radio, plus a limited number of appearances in big States.

★ ★ ★

The White House hears from its economic advisers that prosperity is as good as underwritten for all of 1956, as well as the remainder of 1955. Prosperity is the issue around which all Republican plans are being laid. It's an issue that has been hard to beat in the past.

★ ★ ★

John Foster Dulles, Secretary of State, is the pessimist on the durability of the present quiet in the "cold war." Mr. Dulles is convinced that the Communists will push the present line only so long as they gain advantages from it. President Eisenhower is the optimist. He likes to think that the Communist leaders really have changed.

★ ★ ★

Dispatches from Charles E. Bohlen, U. S. Ambassador to Moscow, are leading the State Department to take a second look at the prospect of floods of American tourists going to Russia. Mr. Bohlen is warning that Soviet travel restrictions still prevent tourists from getting a true picture of life in the Soviet Union.

★ ★ ★

Gen. Alfred M. Gruenther, Supreme Allied Commander Europe, is worrying about the possibility that Greece may quit the North Atlantic Treaty Organization, leaving a big hole in Europe's defenses. Greeks are irked by the fact that Britain and Turkey, both NATO members, are blocking the Greek claim to the Mediterranean island of Cyprus. Britain holds it, the Turks once held it, but most Cypriotes are Greeks, with a small Turkish minority.

★ ★ ★

President Eisenhower is making it clear through his aides that he has no idea of giving U. S. recognition to Communist China at this time or in the foreseeable future.

★ ★ ★

Yugoslavia's Marshal Tito is agreeing to sell strategic materials—lead and bauxite—to Soviet Russia and thereby is jeopardizing his access to continued U. S. aid. Some important officials are worried that Tito may sell more than is permitted under the Battle Act. This Act denies aid to nations that sell such materials in quantity to Communists.

★ ★ ★

India's Jawaharlal Nehru, who at first approved of a "peace march" to drive the Portuguese out of their colony of Goa, now faces the use of the same weapon against him. Thousands of Pakistani are planning a "peace march" into Kashmir, which both India and Pakistan claim. That's another potential trouble spot in a supposedly peaceful world.

★ ★ ★

Lewis Strauss, Chairman of the Atomic Energy Commission, is far from happy about suggestions that the U. S. let Communists from Russia inspect atomic installations in this country as they have done in Great Britain. It has been next to impossible for Americans to get much of a view of their own atomic industry, let alone opening that industry to even casual Communist inspection.

He traveled 1200 miles "to get a line" on an unusual way of doing business

Wausau Story

by **DONALD C. POWER,**
President, General Telephone Corporation,
New York City

"IN my business, you *expect* the unusual. But still, I was a bit amazed by some of the things I found in my recent visit to Wausau, Wis.

"Take the old nickel-plated dial phone you see here. It was used about 1907. I found it on the desk of Russ Stensrud, Manager of the Wausau Exchange, a part of the General Telephone System. And discovered that Wausau was the first community in the country to have an exclusive dial system . . . 50 years ago!

"There are other unusual things about Wausau. The pine woods which circle the city hum with activity of a dozen major industries, from mining to woodworking. Of special interest to me is the fact that, in the last 5 years, Wausau has added more than 20 million dollars worth of well-landscaped homes and plants. I saw them.

High tension in Wausau! Mr. Power (center) watches Foreman Ward Mathison and line crew erect new telephone lines on the ever-expanding outskirts of Wausau.

Hot off the Press. Mr. Power gets the news from Pressman Stanley Bickford of the Wausau Daily Record-Herald.

"And yet, Wausau never outgrows its friendly spirit! You still see it everywhere. I even got my copy of the daily newspaper handed out to me on the sidewalk, right from the pressroom.

"I can understand why a company like Employers Mutuals has grown so large. With Wausau people to guide it, and Wausau's energetic personality behind it, you have the right kind of people to do business with from the start."

Employers Mutuals of Wausau are "good people to do business with"

Just as Mr. Power discovered, the story of Wausau is also the story of Employers Mutuals. There's a Wausau *personality* about this company which people like. It's straightforward. And extremely practical.

We believe, for instance, in taking the mystery out of **workmen's compensation** insurance. Stated simply, this is our story.

Contrary to what many people believe, the cost of workmen's compensation is *not* a fixed cost. It's determined by accidents. Accidents are controllable. Therefore, the cost of workmen's compensation is—or *can* be—a cost you can control. And we can help you.

Employers Mutuals have a reputation for being able to reduce insurance costs through the sensible prevention of accidents. Our safety engineers serve not merely as "inspectors" but people you can lean on for concrete help and advice any time. We'd like to talk it over. Phone our nearest office, or write Employers Mutuals, Wausau, Wisconsin.

Employers Mutuals *of* Wausau

(Advertisement)

PEOPLE ★ ★ ★

OF THE WEEK

SIR WINSTON CHURCHILL went to Hastings, England, last week to accept a gift portrait of himself. There, on the site of the last successful invasion of Britain—by William the Conqueror in 1066—he warmed up the coals of a 10-year-old controversy.

Reaching back into his memories of World War II, the 80-year-old former Prime Minister made one of his rare criticisms of the U. S. It concerned the closing days of the war in Europe, when the Allies pulled up in their drive across Germany, allowed the Russians to capture Berlin.

Said Sir Winston: "If our American friends had listened to appeals which I and others made . . . it is possible that we should have taken Berlin . . . and should at any rate have gained a great footing in the whole of the conquered territory." Failure to do so, he said, contributed to the postwar difficulties between East and West.

Britain's wartime leader did not mention the name of President Eisenhower, who, as Supreme Commander in Europe, ordered the Allied forces to split the Nazi defenses but to avoid Berlin.

The President had no immediate comment on Sir Winston's surprising speech. However, in his book, "Crusade in Europe," he wrote that the West "could probably have secured an agreement to occupy more of Germany than we actually did." One reason for stopping at the Elbe and Mulde rivers, he added, was to minimize the possibility of head-on clashes with onrushing Red troops.

DANIEL A. REED is pessimistic about chances for a tax cut in 1956, has warned fellow-Republicans that military safeguards and the economic security of the nation should rank ahead of "political expediency"—even in an election year.

The New York Representative speaks with the voice of experience, if not with the authority he had earlier in the life of the Eisenhower Administration. Then, as chairman of the House Ways and Means Committee, which writes all new tax legislation, he fought and lost a battle for elimination of the excess-profits tax on corporations, reduction of personal income taxes. Both tax-relief measures have since taken effect.

Representative Reed, 80 this week and a veteran of 35 years in Congress, is ranking minority member of the Committee—but still at odds with the Administration on tax matters. Secretary of the Treasury George M. Humphrey has suggested that it may be possible to balance the budget and cut taxes by next summer. But Mr. Reed maintains that precipitous tax trimming may provoke the "deadly enemy," inflation.

The New York Congressman has been recuperating from a heart ailment that kept him bedridden for two months during a visit to Italy last spring. He appears ready once again to match wits and words with Republicans and Democrats alike at the mention of the word "taxes" on the House floor or in committee.

GERMAN NEWCOMER to the arena of international conference is Foreign Minister **Heinrich von Brentano,** sometimes mentioned as a leading candidate for the role of "crown prince" in Chancellor Konrad Adenauer's West German Government.

Mr. von Brentano accompanied the Chancellor on his historic mission to

(Continued on page 18)

SEVEN MILES UP—13 MILES A MINUTE

AIR FORCE TEST PILOT who set a speed record for high-altitude, level flight views his achievement with modesty, says "it doesn't mean I'm a hot pilot, or anything like that."

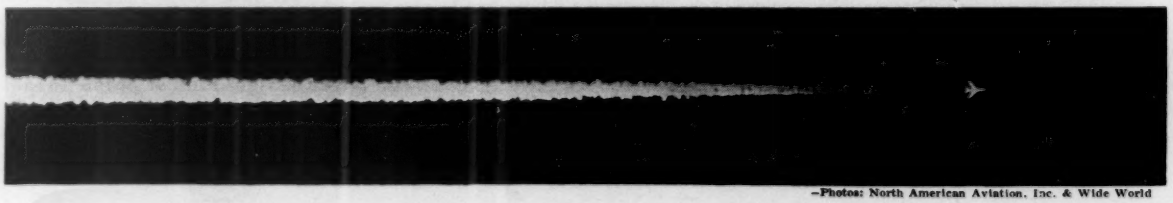
Col. Horace A. Hanes slammed through the sound barrier at 40,000 feet on two flights over a measured course, attained an average speed of 822.135 mph in a North American Super Sabre. He gives full credit to the plane, one of the Air Force's newest fighters, says "any one of the test pilots could have done it."

Colonel Hanes, 39, a World War II veteran of 30 combat missions, is director of flight test at Edwards Air Force Base, in California. He

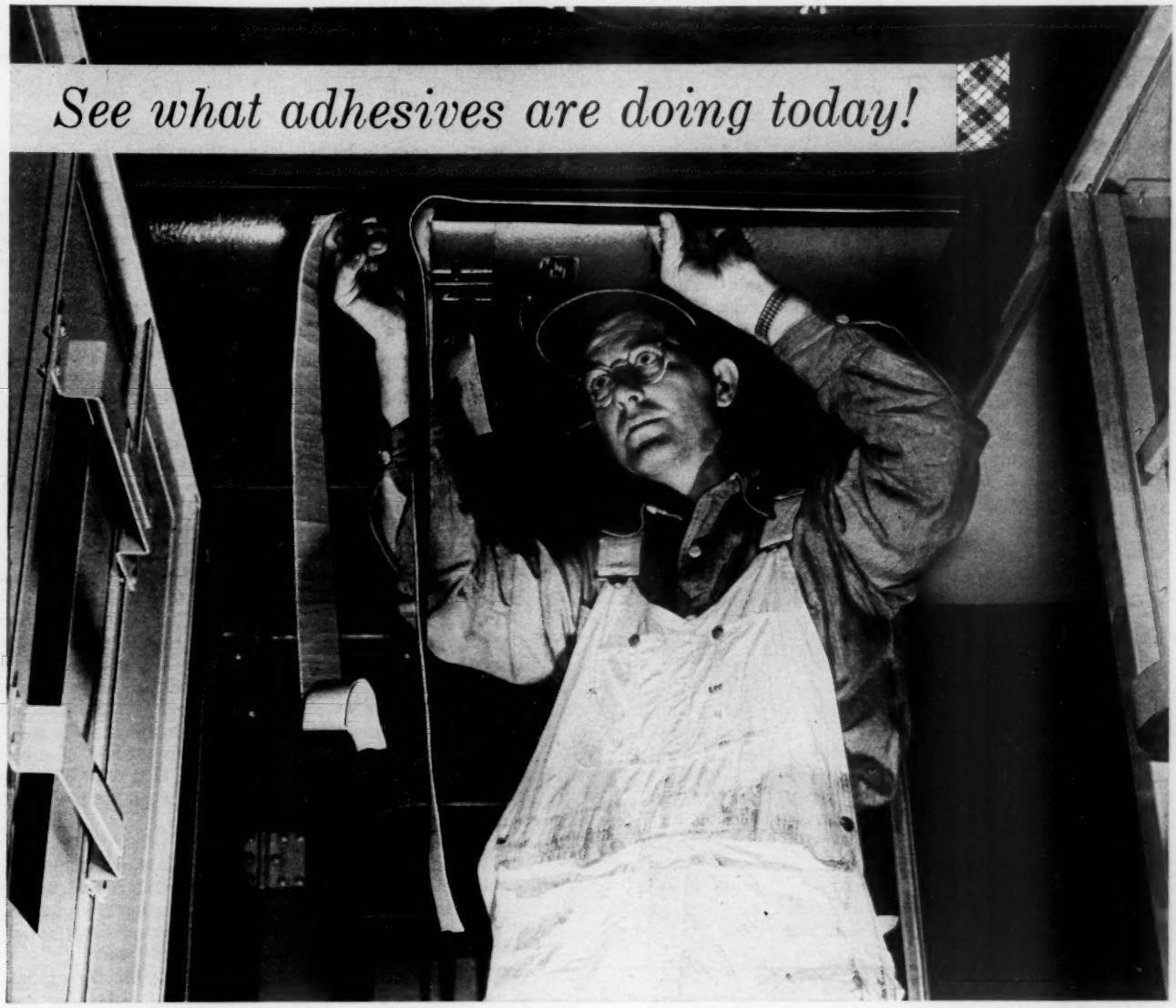
made the speed run over the Mojave Desert on August 20. The record was verified last week. It bettered the former mark, also set by a U. S. Air Force pilot, by 67 mph. It is the first time the record has gone above sonic speed.

A native of Fayette, Ill., Colonel Hanes joined the Air Force in 1938, has more than 4,000 hours in his flight log. He has tested many new planes to evaluate their performance before they have been put into production for the nation's air defenses. He is married, the father of a 14-year-old daughter, now lives at Edwards, Calif.

The new speed king doesn't think his record will last very long, predicts it will have been surpassed by this time next year. Newer fighters already in production are expected by the Air Force to be capable of speeds in excess of 1,100 mph.



—Photos: North American Aviation, Inc. & Wide World



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The man in the picture, for example, is making sure that the air-conditioning unit in a commuter car *keeps* its supply of pure, filtered air. He simply presses a length of 3M's reinforced ribbon sealer into position and fastens on a cover plate with screws. This accommodating sealer makes room for the screws . . . *but nothing more.* The result is a compartment that's airtight, dust-tight, just right!

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Moscow—the only Cabinet member in the delegation. He is a 51-year-old bachelor.

It could be that the aging Mr. Adenauer, who will be 80 in January, is grooming his Foreign Minister as his successor—much in the manner that Sir Winston Churchill schooled Sir Anthony Eden to replace him as British Prime Minister.

Mr. von Brentano needs all the experience he can get. He has been in the Cabinet only since mid-June; before that was parliamentary leader of Chancellor Adenauer's Christian Democratic Party. In that post, he was considered a top-notch organizer, an outstanding speaker in debates.

The von Brentano family has Italian origins, but has been linked for generations to German intellectual and political life. The Foreign Minister is a lawyer, fond of music and sports. He formerly played a fast game of tennis, but now laments he has no time for the game. He hopes someday to see all of Europe linked together under one federated government.

› **THEODORE C. STREIBERT** believes this is a good time for the U. S. to spread the story of America's peace objectives more emphatically to the Communist world. He has asked President Eisenhower to help him get more money to do the job.

The Director of the U. S. Information Agency—this Agency operates the Voice of America and other information services—feels that the more amicable spirit displayed by Soviet Russia recently has cracked the Iron Curtain sufficiently to warrant a stepped-up program to spread the U. S. view of "peace with freedom and justice." The USIA is operating this year on a budget of 85 million dollars. How much more he wants for 1956, Mr. Streibert has not disclosed.

The Information Agency head, a former New York radio executive, has held the job a little more than two years—longer than any of his four predecessors in the old U. S. Information Service. He has used a stiff broom to make many sweeping changes in agency policy, has brought many new faces to the Information office, now a separate agency divorced from the State Department.

Mr. Streibert, 56, went from Harvard into the movie business, later switched to radio, rose to the chairmanship of the Mutual Broadcasting System. He earned a reputation of being a shrewd administrator before losing out in a stock-control shift.

› **LABOR LEADER** who warned British workers they may be pricing themselves out of their jobs is a onetime messenger boy who rose to become chairman of the 8-million-member Trades Union Congress. **Charles J. Geddes** told delegates to the annual session of the Congress last week that repeated demands for higher wages may lead to "industrial suicide."

Mr. Geddes, 58, lacks many of the feelings of older British labor leaders against co-operating with management and the Government to prop up the nation's shaky economy. His warning to union leaders that if they "overexploit full employment our children may be exploited by underemployment" was made without previous consultation with TUC colleagues—something unique in British labor circles.

The TUC encompasses all the big British unions, including some with Communist leadership. Under Mr. Geddes's lead—and over the opposition of the Reds—it has been moving slowly in the direction of industrial peace, has authorized its general council to intervene in a dispute before, not after, a deadlock.

Mr. Geddes holds with Government officials who warn that Britain is importing more than she can pay for with exports; that pyramided wage demands accompanied by costly strikes could send the country into a depression. He is wary, also, of the new "friendship" line of the Communists, says Red infiltration will be harder to stop "when we are all good pals together."

› **A FIGHTING MAN** whose job is to keep peace between Israel and her Arab neighbors appears to have won a round in his efforts to prevent full-scale renewal of the Palestine war.

Maj. Gen. E. L. M. Burns is the United Nations' chief referee in the recurrent border skirmishes between Arab and Israeli forces. Last week he won acceptance by the U. N. Security Council of a proposal to create a demilitarized zone half a mile wide along the troubled Gaza frontier between Israel and Egypt. At the same time, representatives of both countries agreed to meet with him, resume negotiations aimed at halting the frequent clashes.

General Burns, who commanded the First Canadian Corps in Europe during World War II, went to Palestine a year ago as Chief of Staff of the U. N. Truce Supervision Organization. It became his thankless job to try to persuade both sides not to retaliate even when attacked, to cease firing even if the other side was still shooting.

The Canadian peacemaker is 58, has managed to win the respect of both Arabs and Israeli with his stubborn, sincere neutrality. This is reflected even in his choice of living quarters. These are in a building squarely in the middle of "no man's land"—an area separating the Arab and Israeli zones of Jerusalem.

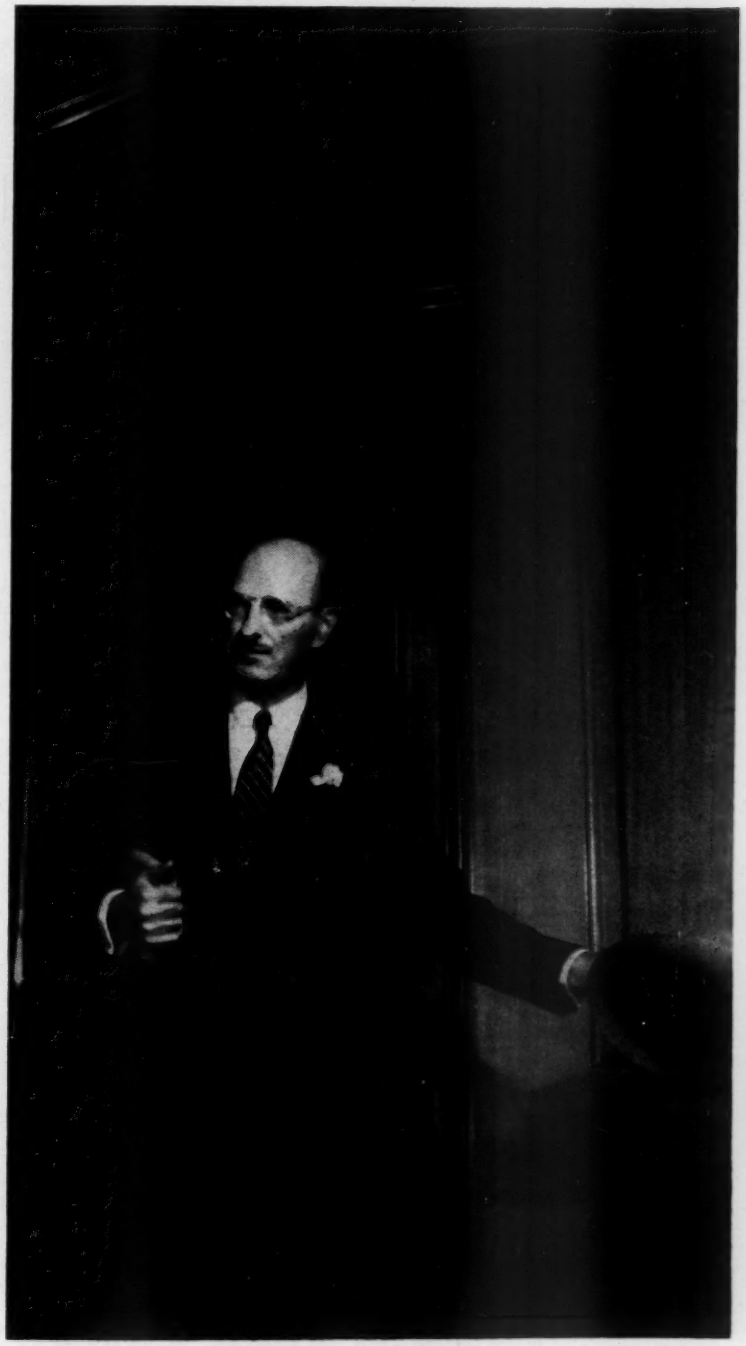
› **U. S. SCHOOL CHILDREN** are enrolling in record numbers this year, filling new classrooms as fast as they are completed, creating a demand for qualified teachers to fill a shortage estimated at 141,300.

Counting all public and private schools and colleges, the U. S. Office of Education expects 39.8 million pupils to begin or continue their education. That's an increase of 1.7 million over last year. It means that nearly one out of every four Americans will be in school this autumn.

Samuel M. Brownell, U. S. Commissioner of Education, says that the worst crowding is yet to come. Forecasts for the next 10 years indicate substantial increases for each year ahead. By 1965, the Commissioner estimates, total enrollment will have reached 51.5 million.

—The Washington Post & Times Herald

Man from Up the Street



. . . from up Wall Street, that is. Mr. Floyd D. Frost, formerly of the First National Bank of New York, is now a Vice President of the First National City organization. As a result of our recent merger, he has moved his desk down to our Trust Company.

Since graduating from Harvard in the twenties, Mr. Frost has had a unique and highly successful career, first as a practicing attorney, then as a specialist in the trust and investment side of the banking business. To our Investment Department, Floyd Frost brings the benefit of his years of training and experience, as well as the fine, highly personalized banking tradition of the old First National.

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IS BOOM GETTING OUT OF HAND?

In England, Yes; in Germany, Maybe; in U. S., Not Yet

Inflation is in the air again. Concern is mounting in countries all over the world.

Output of industry is setting records nearly everywhere, but can't keep customers satisfied. Demand is outrunning supply in country after country of the West.

Problem is greatest in Britain, where costs are rising, imports are up, exports are limited. Germans, with industry running at capacity, fear the extra demand to come from rearming. Even U. S. shows some danger signs, despite vast capacity to produce.

Result is a return of mild controls aimed at keeping the boom in hand everywhere.

The boom in business is picking up momentum in all corners of the non-Communist world. This boom, in some areas, now threatens to get out of hand and turn into outright inflation.

Great Britain, definitely, is up against inflation danger. West Germany is sounding alarms, even before rearmament adds to the demand for labor and materials. There are some who eye the growing boom in the United States with suspicion, fearing it might run away.

Controlling the boom has become a major piece of official business in many countries. Nearly everywhere, governments are confident that, with mild restraints, they will be able to keep the boom in hand. Official plans seek to avoid any drastic action that could upset business and lead to a recession.

In Britain, boom-control plans point to higher taxes on sales, to more controls over the use of money, possibly to cuts in spending for defense, thereby releasing more manpower and more materials for civilian-goods industries.

Germany is stressing voluntary restraint in buying and a freer flow of goods from abroad.

In U. S., the White House is counting on a moderate tightening in the supply of money and credit to keep the boom under control.

Boom pressures, however, are growing as summer passes and people turn from vacations to the more active pursuits that go with autumn and winter.

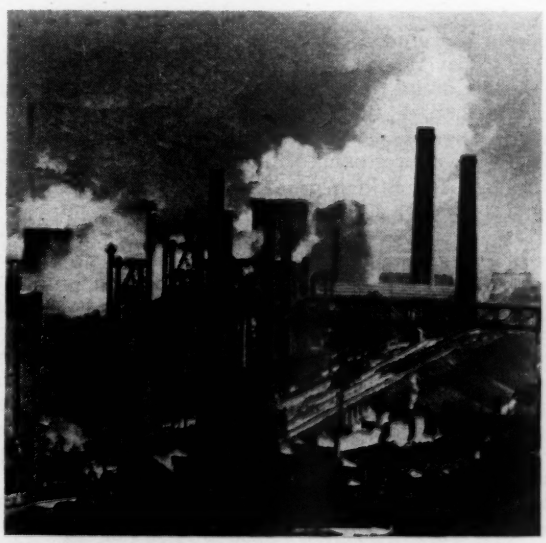
At a season when activity normally steps up in business and industry, things already are tight in many lines. Almost everywhere, jobs are abundant. There is an acute labor scarcity in Britain and in Germany. Skilled workers often are hard to find in the United States. Labor shortage, in turn, is sparking a continued rise in pay. Higher pay has a way of translating itself into higher prices. A threat of higher prices causes buyers to rush in ahead of the rise.

This is the stuff that runaway inflation can be made of, unless restraints are applied. It also is the stuff that deflation can be made of, if restraints are delayed until boom excesses develop and then are so drastic that an upset in business follows.

That line of thinking, more and more, is being heard around the world as governments shape the first mild restraints on the boom.

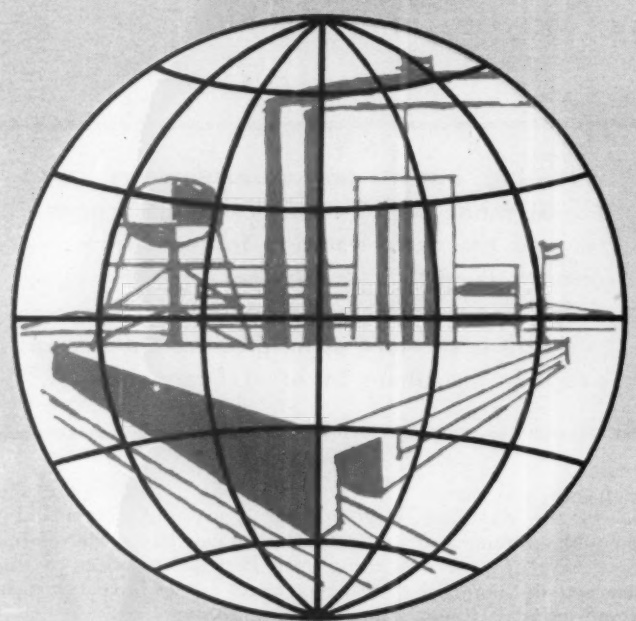
The U. S. boom keeps gathering strength. Demand for steel, for cement, for copper, for aluminum, for some other materials, is running ahead of supply. "Black markets" are reported for some products. Here and there, prices at retail are going up.

Yet the cost of living for the average American is increasing so slightly that the rise is almost imperceptible. Many food products are down in price. New cars of the 1955 model year can be had at big discounts from quoted prices. People are able to buy television sets, refrigerators and most other household products at prices under those listed by the manufacturer. If one



BRITISH INDUSTRY: UNABLE TO MEET DEMAND
Almost everywhere, a struggle to fill orders

HERE'S THE WAY THINGS STAND IN BIG INDUSTRIAL NATIONS



IN BRITAIN

Demand for goods skyrocketing. Public on a buying spree. Eden urges restraint. Labor acutely short. Wages rising, prices going up. Exports lag. Gold and dollar reserves low. Pound in danger. Inflation is a real threat.

IN WEST GERMANY

Boom running strong. Steel output way up, yet still short of demand. Coal, electric power also short. Workers press for higher wages, 40-hour week. Prices rising slowly. Inflation threatens, even before rearming starts.

IN FRANCE

Wages going up. But production is high and prices fairly stable. Inflation is not a real threat just now.

manufacturer's product is short, there are other makes in abundant supply.

The fact is that inflation control in the United States is regarded as a relatively simple task. Borrowing of money is being made a little more difficult and somewhat more costly. But borrowed money remains relatively cheap when compared with most periods of the past. There is some restraint also on the use of credit in buying stocks. Government is cutting down on its spending to some extent as private spending rises. Here and there, industries are allocating their products. But nobody is talking of a need to increase taxes or to ration goods or to take really drastic steps to limit the use of borrowed money.

Inflation control in the United States is to take the form of mild restraint on private borrowing, plus moderate reductions in spending by Government.

Swiss bankers, who tend to look at world financial affairs against a broad background, hold the private view that Government plans in U. S. are related to a desire to keep activity high and rising through the election year 1956. They foresee neither runaway inflation nor severe restraints within that period.

The British problem is different, and concern is mounting. Incomes are up sharply. Prices are rising. Wage increases are going along with extreme labor shortage. The demand of British people for goods is so heavy that the country has been unable to sell goods abroad in the volume needed to pay for imports that must be had to satisfy home demand. Result is a drain on gold and dollar reserves.

There is a growing rumor that the British may be forced to devalue their currency or to impose rigid controls over imports. The Conservative Government, however, will resist any pressure to devalue the pound sterling. New import controls are distasteful. The effort will be to control inflation instead by increasing taxes and ultimately by reducing spending for defense. These steps will be aimed at controlling the public's ability to buy, at the same time increasing the supply of goods and manpower for civilian demand.

Britain is the real danger spot. If events force drastic action in that country, repercussions will be felt throughout Western Europe and even in the United States.

Germany's prosperity is real and strong. In the last year, industrial output has been increased 16 per cent. Imports are rising. But supplies of goods fall short of demand. Skilled workers are at a premium. Wages are up.

If rearmanent goes ahead, new demand will be piled on top of a present civilian demand that strains German industry. Still, officials appear confident that the boom can be kept in hand. Credit is being tightened moderately.

IN SWEDEN

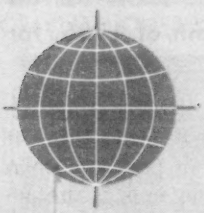
Inflation a major problem. Prices high and rising. Wages up. Exports fail to pay for goods bought abroad. Reserves of gold and foreign currencies are down. Government tries new restraints on industrial construction.

IN UNITED STATES

Boom beating all records. Profits up. Production high. Wages rising. Prices churning, but cost of living, over all, fairly steady. Shortages of a number of materials cropping up. Government counts on high productive capacity and credit controls to prevent runaway inflation.

IN CANADA

Labor shortage starting to pinch. Steel output setting records, but so are orders. Serious inflation not imminent.



AROUND THE WORLD

Warning signals are being raised: The boom could get out of hand. Inflation talk, more and more, is in the air. Shortages are being felt. Pressure is growing to cut arms spending, thus leaving more goods for civilian use.

IN ITALY

Retail sales booming. Luxury spending high. Wages up. But unemployment is heavy. Inflation not out of control.

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Direct controls—rationing, price regulation, wage controls—are not planned. Prices, in fact, have not shown any marked rise to date except in construction.

The official view in Germany is that, with expected further increases in production, a runaway boom will be prevented by the play of the market place. Rearming will be a slow process. Nonmilitary construction may have to be reduced. Government spending, except for military, probably will be cut back.

In other countries, as well, the boom is being watched with concern.

Sweden has had a heavy dose of inflation, with goods short and prices rising. The Government has applied restrictions, however, and now reports that dangers are subsiding.

France remains fairly calm. Prices have been stable for about three years. Wages are up, though, and the pressure is on for further increases. Money in circulation and bank deposits are climbing. A danger signal is seen in continuing budget deficits. Some fears are expressed for the franc.

Canada faces a labor shortage, although the boom has not reached the same high level as in the United States. Mild restraints are being applied on the supply of credit. No further controls are planned immediately.

What the world is seeing, apparently, is a continuing reaction to war. The war led to a great increase in the supply of money. Also, it caused a lag in construction and in modernization of industry. Now, with peace in the air, the world is in a mood to spend, to catch up on delayed needs and desires.

In the United States, the capacity to produce is so vast that record demand is being filled at home with much left over to help meet demands abroad.

This great American capacity, more than any other one thing, is counted on to check tendencies to inflation in this country and some countries abroad.

U. S. policies are aimed at keeping a rein on the boom, not at reversing it. The American Government will try to head off excesses in speculation and in use of credit, and then let the law of supply and demand work itself out. The idea is that, if no runaway situation is allowed to develop in any field, then the whole economy can keep going for a long time with no more serious recession or adjustment than those of 1948-49 and 1953-54.

Tax cuts, coming in U. S. next year, will leave people more money to spend. But Government at the same time expects to be reducing its own spending. This will mean less Government demand for goods and services. This, in theory, will tend to offset the inflationary effects of tax cuts.

That is the thinking behind the official conviction that the boom in U. S. will not get out of hand.

PLENTY OF POLIO VACCINE—WHEN

Probably by Autumn of '56, Short Until Then

After months of dispute, most officials now agree: The Salk vaccine is safe, and it reduces the danger of getting polio.

With this stamp of approval, demand for the vaccine is rising.

How soon will there be enough to meet all demands?

Sooner than was expected, it appears. Outlook: Shots for all children by autumn of 1956, for some adults, too.

The Salk vaccine, in actual experience during 1955, has proved that it reduces the chance of paralytic polio among children. That now is the accepted conclusion of most federal, State and local health officials.

To parents, as a result, the next questions are: When will Salk vaccine be available to all who want it? Will there be enough vaccine to give all children at least one inoculation before the 1956 polio season begins? How much will polio shots cost? When will adults be able to get vaccinated against polio?

Answers to these and other questions, as given by federal officials, physicians and drug manufacturers, point to a more optimistic outlook for polio vaccine than people have been led to expect.

For ages 5 through 9, the vaccine shortage is due to be over within the next few weeks.

In many areas of the country, parents can go to their doctor's office now and get a polio shot for a child who is past his fifth birthday and not yet 10 years of age. By the end of September, there will be enough vaccine to provide first shots for all children in this age group not already inoculated. By the time the second shot is due, four to eight weeks after the first shot is given, more than enough vaccine will have been produced to meet the need.

For ages under 5 and over 9, the vaccine shortage will last a few months longer. Under a voluntary priority system, each State's health agency can decide when to make vaccine available to children other than those in the first priority group, 5 through 9 years of age.

States are expected to widen gradually the age groups eligible for vaccine. By December, for example, it is likely that children up to age 14 will be eligible in most areas to get their first inoculations.

Youths 14 to 19 years of age probably will be made eligible for their first shots by late February or March, at least in the Southern States. This will give teen-agers, as well as younger children in the South, the opportunity to get two vaccine shots before the polio season of 1956 hits its peak. Polio is a seasonal disease, becoming active in April in the South and advancing northward as the weather turns warm. The peak of the disease, nationwide, usually comes in August or September.

Thus, barring unforeseen delays, there will be enough vaccine by autumn of 1956 to provide every child in the nation with the amount of protection against polio that is offered by the first two shots of the Salk formula.

By the time most children are due to get their third shot, which comes seven months after the second shot, there probably will be no shortage problem. The theory is that three shots are needed to give the maximum protection against polio, although the first two shots are expected to provide substantial immunity.

Most children and youths will not be lining up for the third Salk shot until late 1956, or early 1957.

Adults will be able to get shots by autumn of 1956, in all likelihood. At that time, if plans work out, formal priorities for vaccine will end. Physicians will be free to inoculate anyone. Pregnant women, however, will get first call on supplies, since they are more susceptible to polio than other adults.

Vaccine supply. Two developments account for improvement in the supply outlook.

Manufacturers have been able to adjust faster than originally expected to the more rigid procedures for vaccine testing that have been laid down by the Government. These tests were tightened after live virus had showed up in several lots of Salk vaccine. Shipments were stopped for a time.

Deliveries of vaccine were resumed early in June, when the first few thousand shots passed the new safety tests. In July, enough vaccine for 846,000 inoculations came through. In August, a million shots passed into physicians' hands. So far in September, one company has shipped 3.4 million. The monthly shipment rate is expected to reach 8 million shots soon, and to stay at that rate.

At the same time that the supply has been rising, demand for vaccine has been declining. It still is quite low, according to reports from physicians and druggists.

—Wide World

SECRETARY FOLSOM
. . . "the vaccine is effective"

Some parents and physicians are reluctant to approve inoculations, after the fears and confusion of early June, when two lots of infective vaccine caused a number of deaths in Idaho.

Now, the trend in demand is rising again, as preliminary signs of the vaccine's effectiveness begin to be reported by health officials. The Polio Foundation expects 80 to 100 per cent enrollment for the second shot in its free program, in those schools where the program still is under way. At one time last July, fewer than 50 per cent of the eligible children were showing up at some inoculation clinics.

Vaccine's record. It probably will be summer of 1956 before conclusive evi-

dence comes in as to the effectiveness of the vaccine in preventing polio in 1955. That's how long it will take to get complete records.

Preliminary reports, however, are causing officials to make encouraging statements about the Salk vaccine. The Secretary of Health, Education and Welfare, Marion Folsom, said on the National Broadcasting Company television program "Meet the Press" that reports from the first four or five States are that the rate of paralytic polio among vaccinated children is one fourth to one half what it was among those not vaccinated.

"Which shows," Secretary Folsom added, "all indications are the vaccine is effective."

A similar statement was made by Dr. Herman E. Hilleboe, Commissioner of the New York State Department of Health. He emphasized that reports to date are far from complete and may change before the polio season is ended. But he reported that in up-State New York, from May 21 through August 26, there were 6.8 paralytic cases per 100,000 children among those who did not receive vaccine in 1955—more than twice as many as the 2.5 cases per 100,000 among vaccinated children in the same age group.

Actual number of paralytic cases was 19 among the 280,000 children who did not receive vaccine, as compared with 9 among the 353,000 who received the shots.

The Associated Press, in a nation-wide survey, found these results in 23 States that had adequate reports in hand at the time of the survey: 261 cases of polio among 3,140,866 vaccinated children, compared with 1,095 cases of polio among 3,289,060 nonvaccinated children in the same age group.

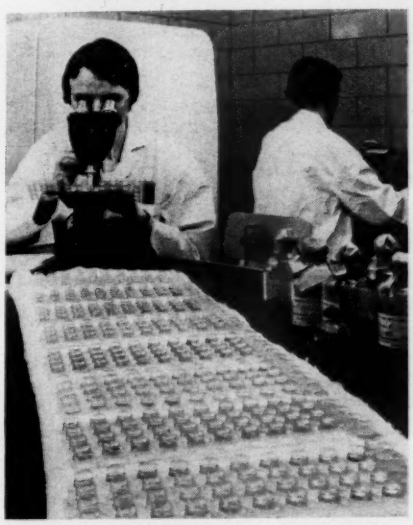
As these results of the vaccine's effect become more generally known, and better documented in medical literature, even the more conservative physicians may begin to encourage polio vaccinations. The average parent, too, will begin to figure that, if the vaccine is as safe as any other vaccine, and possibly quite effective, it will be well worth the $10 to $15 that each series of three shots will cost. Free shots are to be available only to needy children, under each State's own rules, after the Polio Foundation's program ends.

The result could be a surge of demand for the Salk vaccine, bringing temporary shortages, attempts at black markets and price kiting. Production troubles may throw all plans awry, too. But that is not in sight.

At the moment, the general impression is that the polio-vaccine program is over its worst hurdles and is making highly encouraging progress against a dreaded disease.

RUSHING OUT THE VACCINE . . .

PRODUCTION: ENOUGH SOON FOR 8 MILLION SHOTS A MONTH



TESTING: SAFER STANDARDS NOW

SHIPPING: A TRICKLE THAT GROWS

—National Foundation for Infantile Paralysis, USN&WR

INOCULATION: PRIORITY FOR AGES 5 THROUGH 9

Others will get vaccine sooner than expected

The Way Ike Is Remaking His Party

"Conservatives" Replaced by President's Key Men

The "Taft wing" of the Republican Party is losing its grip. "Conservatives" are hard to find in places of party command.

Eisenhower men are taking over, preparing to pick candidates for the elections in '56 and run them on Ike's program.

If right-wingers want to form a third party, that's their business, the President says. He wants "progressive moderates."

It now is clear that President Eisenhower's men are in firm command of the Republican Party organization.

The meeting of Republican State chairmen in Washington and their subsequent visit with the President at Denver tend to bring this point into focus.

As late at 1952, "conservatives" controlled the party in Congress, held the key spots on the Republican National Committee and had a narrow majority in the Committee. "Liberal" Republicans held governorships and had managed in three successive Conventions to nominate their candidates for President. But neither the late Wendell Willkie nor Thomes E. Dewey had been able to take control of the party's National Committee.

Now, the party's "conservatives" who rallied behind the late Senator Robert A. Taft, of Ohio, for President in 1952 are a background minority in party councils. New men, whose ideas are in line with the President's plans for a revamped party, are taking over.

What the shift in control means for the immediate future, in the view of well-informed Republicans, is this:

- The real drive for delegates to the 1956 Republican National Convention is to come from inside the White House itself. The aim is to draft Mr. Eisenhower for a second term, or permit him to choose his successor if he decides not to run.
- The Eisenhower standards are going to be applied to Republican candidates for Congress in 1956. Smart young men from Washington are to help pick the men. Emphasis is to be placed on choosing the "right kind" of candidates. In the main, these are to be men who will support the Eisenhower program in Congress. Those who back away from his program may have difficulty in getting help from the national organization.

From a long-range point of view, "liberal" Republicans are elated. They figure that Mr. Eisenhower has managed to bring the party up to a point where it accepts most changes brought about by the New Deal. Social Security, public housing, many of the best vote-winning gadgets of the Democrats now are part of the President's program, they say. Republican "conservatives" who oppose the new turn of the party have, for the most part, been crowded out of power.

–United Press

TOP MEN IN A REVAMPED PARTY
The President and Chairman Hall confer on '56 policies

Techniques for winning an election on the basis of the Eisenhower program made up the bulk of talk at the meeting of Republican State chairmen. Much of the preliminary work had been done by skilled workers who dealt with writing, public relations and the mechanics of getting out the vote. The chairmen listened to lectures on how to win, discussed party slogans such as "Everything's booming but the guns."

There were former Taft men in the group, but there was no discussion of party policies. It was taken for granted that policies are to be fixed by President Eisenhower and his personal advisers.

The Republican National Committee, which set up the program, now is dominated by Eisenhower men. Any instructions that Leonard Hall, the Committee Chairman, brings from the White House are sure to get quick Committee approval.

Those who know the internal workings of the Committee say there are fewer than 30 "conservatives" left on the 146-man group. Fewer than half a dozen create dissension.

One former Taft supporter on the Committee is described as having been denied any recognition from the party. Patronage in his State is handled through other channels. At least one other Committeeman has been dealt with in the same way.

Actually, the Eisenhower forces began remaking the Republican Party organization before they left Chicago in 1952.

The shuffling of National Committee memberships by State delegations at the National Convention threw out 28 members of the 106 who then made up the Committee. Most of them were Taft followers.

Since then, 14 more National Committeemen and Committeewomen have been replaced. Some of these changes have added to the number of Committee members favoring Mr. Eisenhower's policies.

A rule change adopted at the 1952 Convention, moreover, set up a method

of enlarging the Committee in such a way as to make certain that the presidential candidate would control the National Committee. It added to the National Committee the Republican chairmen of States where Republicans win either the presidential vote or a majority of the congressional seats.

This added to the Committee 40 new members, most of them men hand picked by Eisenhower forces for the job of winning elections under the President's leadership. One notable exception is Ray C. Bliss, of Ohio, a former Taft man, a keen party strategist.

There still remain on the National Committee quite a few of those who took active parts in the fight to nominate Mr. Taft. B. Carroll Reece, of Tennessee, was a regional campaign director for Mr. Taft. Clarence J. Brown, of Ohio, was an active Taft leader in 1948 and 1952. As House members, both Mr. Brown and Mr. Reece often oppose specific items on the Eisenhower legislative program. On the National Committee, they work toward beating the Democrats.

In the 1952 Convention, as always happens, there were many State delegations that gave tentative, first-ballot votes to one candidate or another, expecting to switch their votes to the winning candidate as soon as they could discover whether that winner would be Mr. Taft or Mr. Eisenhower. At the end of the first ballot, Harold E. Stassen, of Minnesota, now a presidential adviser, withdrew as a candidate, and, with the shift of the Minnesota delegation, started a stampede to Mr. Eisenhower.

Taft followers in 10 States managed to hold all or most of their delegates in line for Mr. Taft until the end of the first roll call. These States were Arizona, Illinois, Indiana, Nebraska, New Mexico, North Dakota, Ohio, South Dakota, West Virginia and Wisconsin.

Since voting ended on the first ballot in 1952, there have been changes in the National Committee membership in four of these 10 States. Both of the Illinois members have been replaced. North Dakota elected a new member at the Convention. South Dakota has chosen a new Committeewoman. Wisconsin changed its National Committeeman at the Convention, and shifted again since then. Not all of these changes were swaps of Taft advocates for Eisenhower supporters, but some of them were.

—United Press

SUPPORT FOR "RIGHT KIND" OF CANDIDATES
Plenty of aid from skilled professionals is planned

Six of the 10 States that remained loyal to Mr. Taft have not changed their Committeemen or Committeewomen since the 1952 showdown. But, in five of the six States—Arizona, Indiana, Nebraska, New Mexico and West Virginia—the Republican State chairmen, who are ex officio members of the National Committee, have changed since 1952. The one State chairman who remains in these loyal Taft States is Mr. Bliss, in Ohio.

All of these changes are in line with a policy that Mr. Eisenhower outlined at a press conference on Dec. 8, 1954. At that time, the President said he was convinced that "the great mass of the people of the United States want what I could call a group of progressive moderates handling their business." He added: "And that is exactly what I am working for."

When the question was raised about the possibility of some Republicans' splitting off to form a third party, Mr. Eisenhower said: "That will have to be their business."

Within two weeks of those press-conference remarks, it was disclosed that the President was using stag dinners at the White House to promote this change in the controls of the Republican Party. He invited to the dinners many of the men who had helped him win the 1952 nomination. Those attending said the President's emphasis was upon his determination to build a party led by "progressive moderates."

Now they feel that the President's new party is on its way.

—Harris & Ewing

CLASSROOM FOR NEW STRATEGY
Republican campaign school teaches "line" to committeemen

For Vice President Nixon's views on Mr. Eisenhower's candidacy and the coming political campaign, see page 119.

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Now Another Island Is Causing Trouble

Spotlight is on a new area of unrest.

It's Cyprus—a key to the Middle East, a big British base. Some of America's allies are embroiled over the question: Who really owns Cyprus?

It could undermine the Western alliance in southern Europe—and put a strategic spot into the hands of a strong Communist Party.

LONDON

The island of Cyprus, in the eastern Mediterranean, is turning up as a source of concern to the West.

U. S. allies find themselves caught in the middle of a quarrel over that island.

It is Britain that now rules Cyprus. But Greece, another ally of America, is demanding "self-determination" for the island, and its eventual union with Greece. And a third ally, Turkey, is insisting that the British stay on in Cyprus to protect a Turkish minority.

Diplomats of the three countries, after days of meeting to thresh out the question, are just as much at odds as ever. The island, they say, is likely to go on being a "hot spot" for the Western Allies—one that causes hard feelings for everyone except the Communists.

A "problem island" for conquerors for nearly 4,000 years, Cyprus lies only 40 miles off the Turkish coast. About four fifths of its 500,000 people belong to the Greek community—speak Greek and belong to the Greek Orthodox Church. Fewer than 100,000 are Turks, of the Moslem faith.

Military men say that Cyprus does not begin to compare with other islands as a strategic base. It cannot grow enough to feed its population, and its harbors cannot take large vessels.

Cyprus, however, was a lifesaver for British forces that had to move out of the Suez Canal zone starting last year. In Britain's plans, Cyprus is to be the biggest base between Malta, on the west, and Ceylon—thousands of miles to the southeast.

British rule over Cyprus goes back to 1878, when Turkey handed over the island in return for Britain's support against Russia. For a long time, the British did not attach much value to the island. In World War I, they even offered it to Greece if the Greeks would declare war on Germany—an offer that the Greeks declined.

Now, however, the British are determined to hang on to this island. Britain is spending 210 million dollars on Army and Air Force bases in Cyprus, to be completed by 1964. Harbors are being enlarged. A new jet airfield will accommodate bombers capable of carrying atomic missiles into Russia. And Cyprus, already, is the headquarters of Britain's Middle East Command.

On top of that, the British are spending large sums of money on public works, reforestation and other civilian projects.

None of these activities, however, has

CYPRUS: WHERE THE BALKAN ALLIANCE IS SHAKIEST

slowed down the demands of the island's Greek-speaking community for *enosis*—union with Greece.

Leading agitator against British rule for this group is Boston-educated Archbishop Makarios, head of the Greek Orthodox Church in Cyprus. The Archbishop talks from the pulpit and organizes meetings against British rule.

The churchman is reported to be getting plenty of support from Athens for his agitation—support in the form of money as well as propaganda broadcasts beamed to Cyprus. What worries Britons, however, is the support he has been getting from AKEL, the island's Communist Party.

That party, right now, undoubtedly is the largest and best organized on the island. It controls an estimated 35 per cent of the island's voters. Reds run the administration of several municipalities. The Communist-controlled labor movement outnumbers the anti-Communists more than 4 to 1.

The Communists have been going along with Archbishop Makarios's *enosis* campaign. But they say openly that, once Cyprus is united with Greece, the Reds will begin warfare on the "monarcho-fascist" regime of Athens.

All of these developments put the British on the spot when it comes to deciding what will quiet things down on this strategic island.

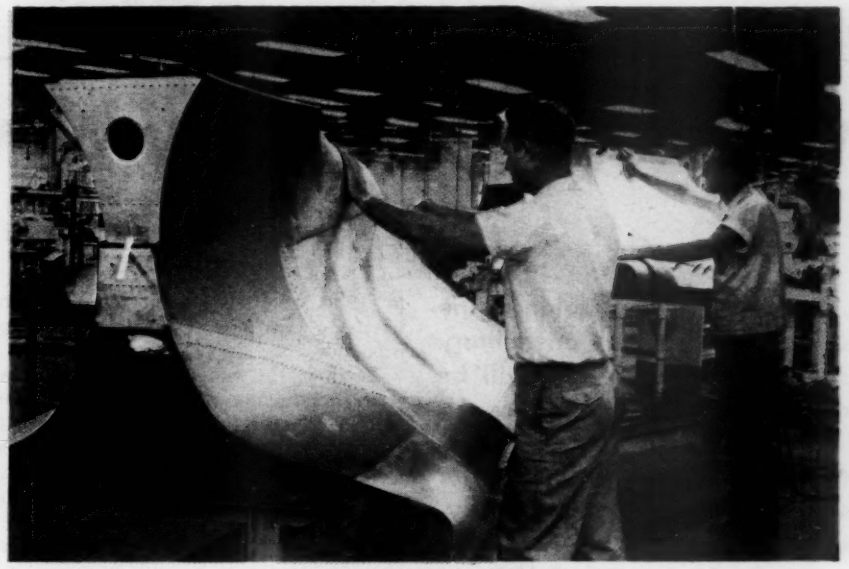
Britain's offer to the Cypriotes holds out only limited autonomy. If self-rule goes beyond that, the Communists are strong enough to elect a majority and take over the Government—giving Communism its first outpost in the Middle East.

The idea of *enosis* doesn't look any better to the British. Greece has offered to let Britain keep its bases on Cyprus, and even acquire more bases in Greece itself, if the British give up the island to the Greeks. But seasoned Britons doubt Greece's ability to make good on that promise—and feel that Britain, then, would be left without a strong base between Malta and Ceylon.

Britain is getting the support of Turkey, a country that once owned Cyprus and still claims a strong interest in that island.

The Turkish position is that Turkey will not, under any conditions, agree to a union of Greece and Cyprus. As a result, old hostilities between Greece and Turkey are flaring up at a time when the Balkan Alliance already is weakened by Yugoslavia's wavering.

As U. S. diplomats see it, the dispute over Cyprus adds up to a situation that profits only the Communists—and makes the West more vulnerable than ever to Communist aggression in the eastern Mediterranean.



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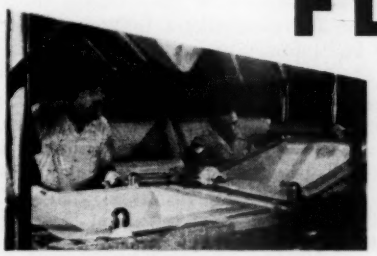

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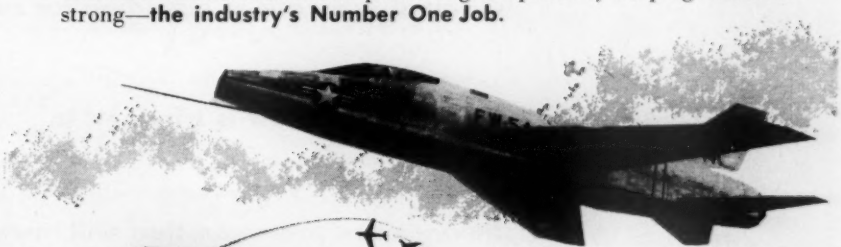

TEMCO® AIRCRAFT CORPORATION DALLAS, TEXAS

WHO WILL FEEL NEW ARMS CUTS

Word Goes Out to Save 2 Billions More

Latest drive to balance the U. S. budget centers on military spending. Attempt now will be made to cut 2 billions there.

Big effects, if arms cuts reach this level, will be felt in a major slowdown of new plane deliveries, in a cutback of Army manpower by January, in slashing of Navy shore installations.

A new official study indicates who will be affected.

A new cut is coming in spending by this country for defense. This cut is going to take as much as 2 billion dollars out of the spending projected for the year that will end next June 30.

At least three objectives are aimed at. One is to balance the Government's budget so that taxes can be cut in an election year. A second is to ease inflationary pressures by reducing the flow of money out of the U. S. Treasury. The third is to bring about some further reduction in military manpower early in 1956, so that draft calls will not have to rise as election time approaches.

In all of the major nations right now, there is growing pressure to cut down further on spending for defense. This is true even in the Soviet Union. The motive, basically, is to divert more money and manpower from armament to the production of civilian goods.

If the new goal being set for defense spending by the U. S. actually is reached, 33 billion dollars will be spent in the present accounting year, ending next June 30. That is exclusive of foreign military aid, of spending on atomic energy and of stockpiling. The revised figure is to be measured against an original estimate of 35.7 billion dollars in the Administration's budget as made up last January.

Since January, as the chart on this page shows, this proposed expenditure has been cut to 35 billions, with a billion more in savings planned but not yet allocated, bringing the planned level down to 34 billions. The proposed goal of 33 billions thus would represent a second billion-dollar cut.

Latest efforts to lower the military budget, in other words, would bring the final spending figure for the present budget year down to a level 2.7 billions below the planning level of last January, 2 billions below the actual budget plan approved and in effect at this time.

Where are these billions likely to be cut from the existing arms budget? Officials have not yet said, but you can get an indication from one Defense Department study of how to allocate an arms budget pared down to 33 billions. The study's proposals:

- Air Force would get 15 billions, a cut of about a billion from present plans.
- Navy would get 9 billions, down 600 millions from its current budget.
- Army would get 8.5 billions, or 400 millions below approved plans.
- Defense Department overhead would remain at 600 millions.

It will be the Air Force that is hardest hit, if this proposed cutback is followed even in broad outline. Prospects are that the 137-wing program would be delayed, perhaps to 1960, as the delivery of new aircraft is slowed, spread over a longer period.

Cutting the Air Force budget, this study showed, also is likely to affect the program for building and expanding air bases around the world, the amount of

THE SHRINKING MILITARY BUDGET

(year ending June 30, 1956)

Original estimate of spending for arms was

$35.7 billion

This estimate now is trimmed to

$35 billion

Savings are promised that will lower spending to

$34 billion

Hope now is held that this can be reduced to

$33 billion

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flying time permitted for Air Force personnel, possibly the number of men in uniform. Research-and-development funds were listed as being placed in jeopardy, too, with results that would not be seen until the early 1960s—the period for which new-plane research is being done now.

Reductions in the Army budget, in contrast, will be largely a matter of manpower cuts. Army spending, the Defense study indicates, already is cut to the bone, unless manpower is to be cut faster or deeper than under present plans.

The only way that the Army can effect further savings this year, thus, is reportedly to reduce its strength to 1,027,000 by next January 1, instead of by next July 1 as already planned. Army strength is now 1,109,296. The earlier reduction in manpower could even be effected by cutting the service period of draftees from 24 months to 21.

Major savings from the Navy's budget, meanwhile, are reported to be sought in funds for maintenance, for sea exercises and for operation of shore installations—funds which already have been heavily hit. Efforts will be made to preserve the present size of the fleet, and to keep the present construction program. That includes plans to construct 34 vessels, including a fifth carrier of the *Forrestal* type and eight submarines—three of them atomic powered—as well as 13,370 tons of landing craft. This is in addition to a major ship-conversion program.

Over all, the outlook for further big cuts is this: The Army already has been trimmed severely, can only step up its timetable for future manpower reductions. The Navy has been reduced. The only place where major savings can be made now without cutting deeply into existing strength is still the Air Force—whose planned readiness depends not only on arms and equipment already in its hands but on deliveries to be completed by 1957, when the Air Force's scheduled 137 wings were to be in combat-ready condition.

Understrength wings? No one in official position has indicated that the 137-wing goal will not be achieved. What the Air Force fears is that the figure 137 will be retained and ultimately achieved, but that the individual wings will not have their planned strength. By cutting down on numbers of planes and men in each wing, a "show window" 137-wing force would always be possible. But that is not the kind of air power the Air Force seeks.

Just what types of arms spending have been cut thus far in 1955? A breakdown of the 750 millions saved in bringing the military budget down to 35 billions shows these effects:

(Continued on page 32)

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[*continued*]

WHO WILL FEEL ARMS CUTS

Spending with industry for major procurement was cut 150 millions, or only a fifth of the total reduction. Much of this saving actually is in "eating off the shelf" of items produced in earlier years and carried in inventory. Also included was a cut of 1,600 jet engines from the total of planned orders, because J-47 types have required less replacement than expected, and a reduction in Navy aircraft orders, made last autumn and winter. These are reported to be the only reductions of "hard goods," such as weapons and vehicles.

Funds to operate and maintain the armed services were cut twice as deeply—by 300 millions. This included a wide variety of goods and services, such as gasoline, recruiting, repairs, medical care, personal equipment, spare parts of many kinds—in general, items used to maintain ground units, air bases and shore installations.

Efficiency and lower inventories account for the remaining 300 millions. These are largely savings in working capital and bookkeeping transactions, but may be felt in some ways by industry as military buying and military services are more centralized and inventories of many things are reduced.

The picture shaping. What it all means, as an indication of who will be affected by new attempts to trim 2 billions from the present military budget, is this:

• Biggest cutbacks are almost certain now to be in payments for delivery of new aircraft. No actual reduction in orders is to be expected this year, but deliveries are likely to be spread over a longer period, so that fewer aircraft will be bought during the year. This means some slowdown in pace for the military side of the aircraft industry if the cuts go through.

• No big reduction, however, is to be expected in contracts for heavy weapons, ships, vehicles, guns, other major "hard goods." Cuts in this field, if any, are certain to be minor.

• Buying will be trimmed, on the other hand, in the case of many things for use by individuals in the armed services—clothing, food, maintenance items—as the number of men in uniform is cut back and operations funds are reduced.

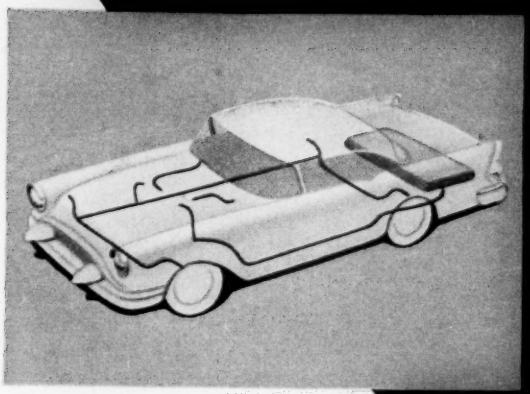
• Inventories of many "soft goods" and spare parts also are to be reduced under a tighter budget, so that reduced buying may be noticeable generally in those fields.

Exactly how much more defense officials will succeed in cutting from the nation's military budget still is anybody's guess. Deputy Defense Secretary Reuben B. Robertson, Jr., insists that only one billion below the present budget is certain to be trimmed. But pressures are strong and growing to find a full second billion to come out in time for the election year ahead.

If so, this country's arms budget again is to go through the wringer, with the biggest squeeze to be felt in the Air Force's delivery rate of new planes, the Army's manpower strength, and the Navy's shrinking shore establishments.

—Black Star

ARMY RECRUITS: THERE WILL BE FEWER
But will the cutback come in January or July?



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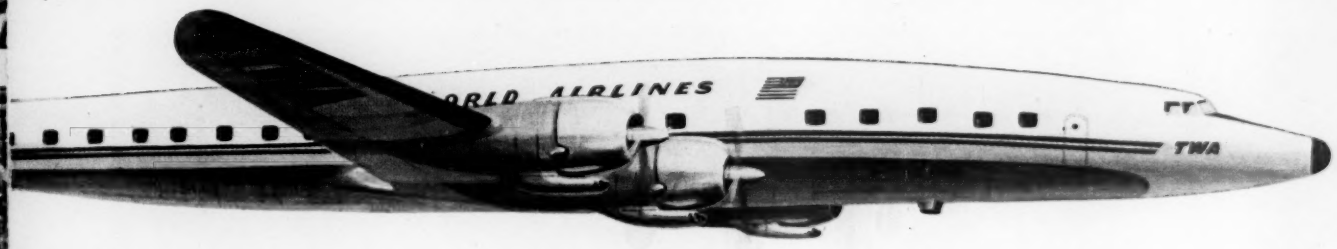

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STRANGE CASE OF A SLAIN MAJOR— AND 100 PLANELOADS OF U.S. ARMS

A macabre mystery of how a U. S. secret agent died behind German lines in Italy is now to get an airing in federal court—after 11 years.

Was Major Holohan murdered by his own men? Did Communists, after his death, get U. S. arms to cache for revolution?

Here you get the story behind a new indictment in the strange case of the dead major.

Darkness comes early in autumn evenings. And on a night in November, 1944, the early blackness over the timbered mountains of Northern Italy shaded a mysterious mission.

Two American officers of the Office of Strategic Services, operating far behind German lines, edged carefully toward a rendezvous at a crossroads near Lake Orta—a rendezvous with the leader of Communist guerrillas in the area. An Italian architect named Aminto Migliari, a non-Communist in charge of military intelligence for several partisan bands, guided them.

The two U. S. officers were Major William V. Holohan, highest-ranking U. S. agent behind the lines in Italy, and the No. 2 man in his mission, Lieut. Aldo Lorenzo Icardi, an American of Italian descent who spoke the local dialect like a native.

—Wide World

OSS MAJ. WILLIAM V. HOLOHAN
Was he murdered by his own men?

The Communist agent called himself Captain Ciro. His real name is Vincenzo Moscatelli. Moscatelli, trained in Moscow as a spy and saboteur, had been a Communist organizer in Italy and had been jailed by the Mussolini regime for 10 years. Now, in 1944, he controlled the largest guerrilla band in this area of Northwestern Italy and he wanted guns—guns which would be dropped by the planeload if the U. S. agents requested them by radio.

Two plans, working at cross-purposes, lay behind the strange meeting.

The U. S. plan was to harass the rear of a formidable German army entrenched in what was called the Gothic line. Guns, bazookas, ammunition and grenades could be used by partisans to attack supply lines. The Germans could be beaten, or at least could be kept too busy to divert forces back to Germany where Allied armies were hammering at the Siegfried line and probing for the Rhine.

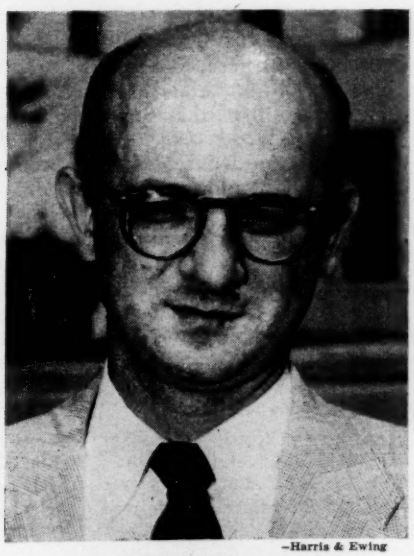
Suspicions about Communist guerrillas, however, already had arisen in the minds of some Allied military leaders in Italy. The unanswered question was whether the Communists would put U. S. equipment to immediate use against the Germans—or would they stockpile it for a future revolution in Italy?

The main assignment of Major Holohan's mission was to find an answer to this important question and to order arms dropped only to partisans who would use them against Germans. The Communists were to be prevented from gaining control of Northern Italy and its important industrial cities after the war.

The Communist plan already had formed in the fertile brain of Moscatelli. In the battle of Europe, the writing on the wall was plain: Hitler was losing. Now, in late 1944, the end was only a matter of time.

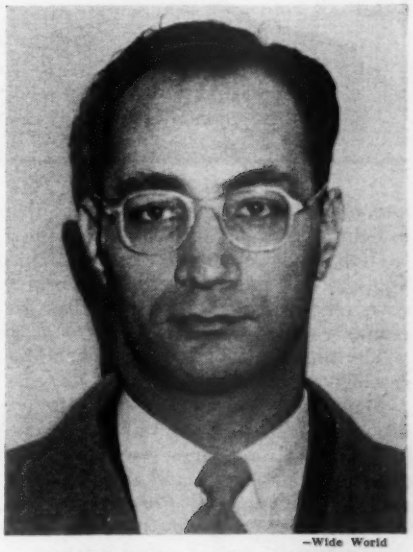
Moscatelli was thinking of a future time when the arms would be of use to him. In his dreams was the seizure of power in Italy, with the establishment of a Kremlin-directed regime. Furthermore, it would be a huge international joke if the U. S., that citadel of capitalism, supplied guns for capitalism's sworn enemy, Communism.

Only a month after the crossroads rendezvous, Major Holohan was dead, with two 9 mm. pistol bullets in his head. Moscatelli's Communists thereafter got tons of arms, and Moscatelli's bold in-



—Harris & Ewing

OSS LIEUT. ALDO L. ICARDI
. . . indicted for perjury



—Wide World

OSS SGT. CARL G. LODOLCE
. . . repudiated a confession

[continued]

STRANGE CASE OF A SLAIN MAJOR

trigue was to come within an ace of succeeding in the confusion of postwar Italian political struggles.

The stage is set. This strange story of how and why Major Holohan mysteriously disappeared began in the summer of 1944, several months before the crucial meeting near Lake Orta.

Soviet armies were pounding into Eastern Europe. Behind them, in conquered countries, Communist governments were springing up. The suspicion was dawning that Communist guerrillas were more interested in taking over countries than in fighting German armies that remained. In Italy, the Communist leader Palmiro Togliatti had shown up, fresh from Moscow, ready to seek a place in the Government.

The time had come to see what Moscatelli was going to do.

Major Holohan had the job. He was 40, a Harvard-trained lawyer and a bachelor, a strong, sinewy six-footer with a flair for adventure and a calm, unexcitable temperament. For this mission, he had one shortcoming—he didn't know the language.

Lieutenant Icardi, a daring man of 23, was second in command and his fluency in Italian could bridge the language gap. Sgt. Carl G. LoDolce of Rochester, N. Y., who also spoke fluent Italian, was to be the radio operator.

Instructions were given to Major Holohan on September 9—to size up partisan groups of all political colors, direct arms to the worthy ones, prevent Communists from gaining control.

To finance operations, Major Holohan drew a sum of money. A subcommittee of Congress, later investigating the mysterious case, said the major had 850,000 Italian lire, 1,500 U. S. dollars, 12,000 Swiss francs and 500 French gold pieces. The value was $15,445 but would be several times that amount on the black market.

Flying from Algiers, the mission parachuted into Italy on the night of September 26. Partisan fighters of several shades, from Royalists to Communists, greeted them.

Migliari, partisan intelligence chief, joined the mission, soon had the group installed in Villa Castelnuovo, a luxurious but empty summer home on the edge of icy Lake Orta. Two more Italian partisans, Giuseppi Manini and Gualtiero Tozzini, joined the team.

Behind Battle Lines, A Mystery
SWITZERLAND
Lake Orta
Lake Orta, where OSS Agent Holohan operated until he was shot, in December, 1944, and dumped into the lake.
Verona
ITALY
Parma
Bologna
AXIS
ALLIES
Pisa
Florence
This was the battle area. The Holohan mission worked behind the lines, 175 miles to the northwest.

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Sergeant LoDolce began regular radio contact with Allied headquarters.

The Communists act. In a few weeks, the first drop of arms was requested by Major Holohan. It was meant for a group of non-Communists who had lost most of their guns and ammunition in a battle with Germans. When the packages dropped, Moscatelli's armed Communists seized them, but later, under pressure from Major Holohan, gave up part of them. The arms kept by the Communists were found, years later, by Italian police where they had been cached by Moscatelli's men.

The special subcommittee of the House Committee on Armed Services, in its report, says:

"Holohan was moving slowly in order to secure the most accurate information and to limit sharply the Communist strength of operations. Icardi, on the other hand, was willing to assist any partisan group. . . .

"Migliari stated that because Icardi and Holohan disagreed as to which groups would receive arms drops it brought on hard feelings between the two."

After the rendezvous with Moscatelli, Migliari asked Icardi what had taken place. "Icardi," said the subcommittee, "advised him that no further drops would be made for anybody 'unless we get rid of the - - - -'."

About December 1, the mission got word that Germans were readying a mopup campaign against the pro-Allied guerrillas.

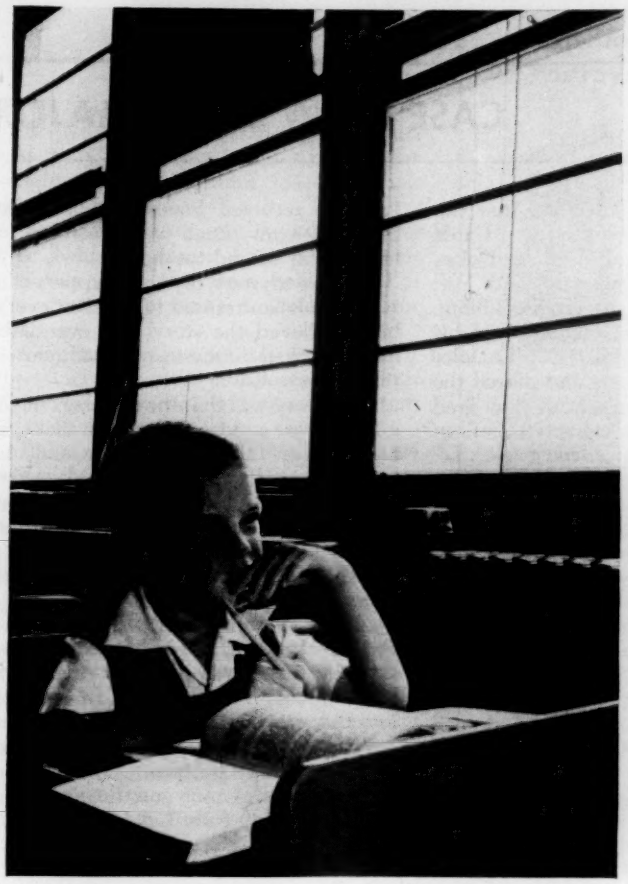
Plans were made to move the mission across the mile-wide lake on December 6.

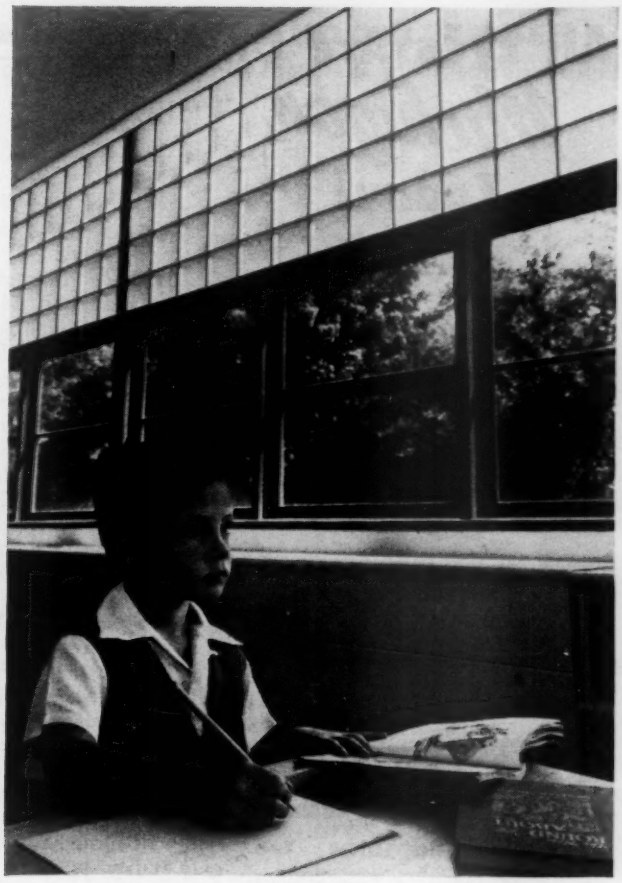
Poisoned soup. "That afternoon," the report goes on, "Icardi then approached . . . Giuseppi Manini and Gualtiero Tozzini, stating that that particular day would be a good time to get rid of Holohan. He ordered Manini to secure poison which could be placed in Holohan's soup for dinner that night. . . . Manini secured a quantity of cyanide potassium from a chemist. LoDolce, who had been greatly influenced by Icardi, had been persuaded that if this mission continued to refuse arms and money to the partisans, they, in turn, would either kill them or betray them to the German-Fascist forces. . . .

"Before the supper was served, a quantity of cyanide of potassium was placed into the soup that was served to Major Holohan by Manini. Holohan . . . drank all of it. He quickly became ill . . .

"Fearing that the poison would not be effective and that Holohan might dis-

(Continued on page 40)





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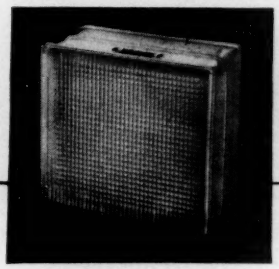

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[*continued*]

CASE OF A SLAIN MAJOR

cover the plot, Icardi decided that the major would have to be shot. . . . Cards were drawn by Icardi and LoDolce. LoDolce drew the low card and lost, leaving it up to him to do the killing. LoDolce asked Manini to hand him his Beretta automatic pistol. . . . LoDolce went into the room alone and placed the pistol against Holohan's head and fired twice. . . . Icardi then extracted a roll of currency from Holohan's haversack. . . ."

Then, the House report continues, Icardi ordered the two Italians to help him put the body in the major's sleeping bag, carry it to the lake shore and weight the package with a large stone. The two Italians rowed out from shore and pushed the body into the water.

Another Red grab. Until the final liberation of all Italy in the spring of 1945, the mission was busy. On 51 different nights the cargo planes droned over. An estimated 600 tons of arms were parachuted into the Lake Orta area—about 100 planeloads. Communists got almost every scrap of them. Much of this loot turned up long after the war when Italian police raided Communist arms hideouts.

Moscatelli was getting what he wanted. After the war he became a Senator. In 1946, when Communists had a part in the Government, Moscatelli was nominated for Minister of War. Then, but for pressure from Allied authorities, he would have gained control of the Army and tightened a Communist throttlehold on Italy.

Lieutenant Icardi and Sergeant LoDolce received honorable discharges from the Army. Each was decorated for his mission behind the lines.

But the mystery of what happened to Major Holohan refused to die. Not everybody believed the story that eventually had reached American headquarters through a courier.

That story was that the members of the mission were suddenly attacked, that they scattered in different directions and met at another villa, as prearranged. All of them escaped, the story went, except Major Holohan, who failed to show up. The major had simply disappeared.

The first break. Italian and U. S. officers kept looking. By 1950, Manini and Tozzini were telling contradictory stories. Finally, the two Italians confessed. They said the major was poisoned, then shot, and they told how his body had been slid into the water.

"Their confessions were fully corroborated, especially concerning the recovery of the murder weapon and the recovery of Holohan's body from Lake Orta on June 16, 1950," the House report observes.

"Ballistics tests demonstrated that the bullets removed from Holohan's body were fired from the weapon which was later recovered and which had been issued to Manini. . . . The body was found exactly where Manini and Tozzini, in their confessions, admitted they had deposited it in the waters."

A confession, then—. Mr. LoDolce later signed a confession, implicating himself and Icardi along with the two Italians—a confession he repudiated but

—U.S. Air Force

ITALY'S SCENIC LAKE ORTA
. . . where Major Holohan's body was hidden for five years

which was later introduced in evidence at a U. S. district court hearing in Buffalo, N. Y., when the Italian Government sought to extradite him for trial on a murder charge.

Because Italy was not in control of the area behind German lines when Major Holohan died, the court held, Mr. LoDolce could not be taken back there for trial.

The House subcommittee reported that the Americans were out of reach of both Army court-martial and the jurisdiction of U. S. courts.

Italy tried and convicted the two Americans in absentia. Mr. Icardi was sentenced to life imprisonment, Mr. LoDolce to 17 years in prison, but neither can be put in jail unless he returns to Italy. The Italians, Manini and Tozzini, were acquitted.

Mr. LoDolce, although invited to appear before the House subcommittee during its two-year investigation, did not testify. Mr. Icardi did. Under oath, he told in detail of the ambush he insists took place.

Grand-jury action. Now, a federal grand jury says Mr. Icardi was lying under oath. It indicted him on eight counts of perjury in a true bill that sets out the details of how the Government believes Major Holohan was murdered by his own men. Mr. Icardi has pleaded not guilty.

To prove the perjury case, the Government will have to prove that Icardi, LoDolce and the two Italians poisoned and then shot the major. The proof, if demonstrated at Mr. Icardi's forthcoming trial, will solve a mystery of World War II cloak-and-dagger dealings that has persisted for almost 11 years.

—Wide World

THE MAJOR DONS A 'CHUTE
. . . for the drop into Italy

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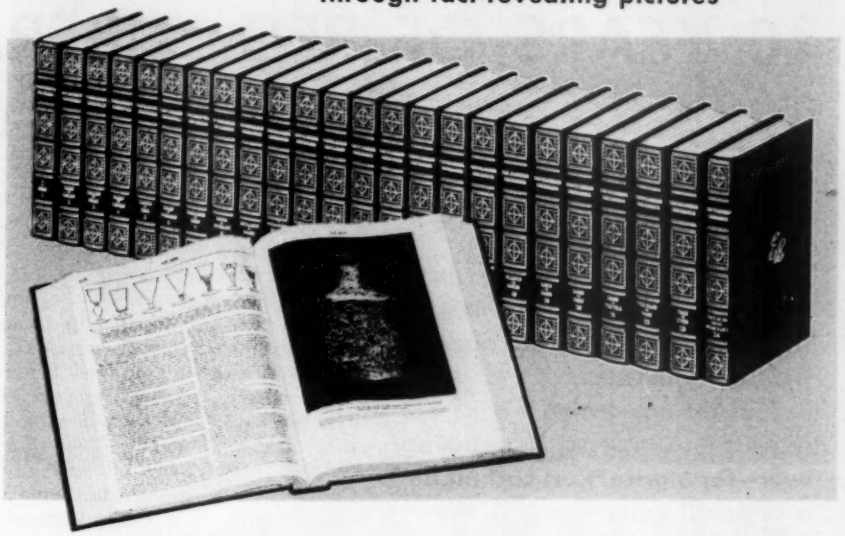

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10 YEARS OF RED "LIBERATORS"

In Austria: Soviet Zone Looted, U. S. Zone Built Up

Here's what Russians are leaving behind in Austria:

Machinery ready for the junk heap. Dilapidated hotels. Estates stripped of trees. Payrolls padded with Communists.

Russian occupation troops are leaving. Austrians are taking over—for a price. Kurt Lachmann, a regional editor for *U. S. News & World Report*, inspecting a factory just handed back, tells what he found.

VIENNA

It is possible, now, to see with your own eyes just how Soviet Russia handles a "liberated" country.

For 10 years, here in Austria, the U. S. and the Soviet Union have been playing a "cold war" game of "put and take." The U. S. has put 1.4 billion dollars' worth of gifts into the country. Soviet Russia's "take" may exceed 1 billion dollars. But the game is about over.

Soviet troops are pulling out of their zone of occupation in Eastern Austria under the terms of the Austrian Peace Treaty—which finally was signed, ratified and filed after a decade of talking.

Officials of the Austrian Government, and plain citizens, now are going into the factories, estates and oil fields that the Russians have held. There are 300 of these properties, the most valuable properties in the Soviet-occupied part of Austria. The Russians claimed all were "German assets" in Austria. Some were. Some weren't. Now the Austrians must buy them back.

What's left, much of it, isn't worth buying. Wooded estates have been stripped; hotels, allowed to fall apart; big factories, actually dynamited; machinery less than 25 years old, shipped out of Austria.

An example of what you find is a metal-processing plant near Vienna. It was an Austrian-owned plant which the Germans turned to producing cartridges and parts for small arms during World War II.

At first sight, the plant looks like a bombed-out wreck. Only fragments of the walls of many factory buildings are left. This is the result of dynamiting done by the Russians in the first year of their occupation, when they did not expect to stay long. Then Moscow ordered the cold war, and the Soviet forces in Austria began to squeeze what they could get out of Austrian industry instead of destroying it.

Rubble and dirt which the Russians left as it fell when they dynamited much of the plant now is being cleaned up under Austrian orders. What remained of the plant as the Russians left employed only 450 workers, as compared to 14,000 kept busy there before the Russians came.

Looking about the remains of the factory, you find that the best-kept building of all is the management office. But the Russians did not use this building to provide office space for the clerical and management staff of the factory. Instead they turned it into a "House of Culture."

Still in the "House of Culture" when the Austrians took it over were offices not only for the Austrian branch of the Communist Party, but also for its various "front" organizations, including a Communist-controlled labor union. It had a movie hall with a stock of films produced in Moscow, and a "library." On the li-

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brary shelves were books and pamphlets of the Austrian Communist Party, plus a number of German translations of Soviet books.

Prominently displayed in the plant is a column which once supported a large bust of the late Joseph Stalin. Austrian officials have substituted a pot full of flowers for the bust.

All over the plant, too, you see billboards which once framed the latest Communist propaganda posters. The posters have been removed and workmen now are repainting the red frames in a less political color.

Red union officials named by the Russians are still around the plant. But the Austrian manager has issued orders to all employes to quit playing politics if they want to keep their jobs.

All employes of the "House of Culture," including those working for Communist Party headquarters, were on the company payroll. These men have now been put to work cleaning up rubble.

Company housing, built by private ownership during the war and rented to workers at moderate rates, is a shambles. The Russians made much propaganda of "freezing" the rents for these apartments at prewar rates. Some apartments rent for about a dollar a month. But the Russians made no provisions at all for maintenance and upkeep. Roofs leak; windows are broken; plumbing is useless; plaster has fallen. Many units are abandoned.

Machinery remaining, too, is about ripe for junking. Most machines are 25 years old or older. The Russians installed no new machinery, installed no new parts not at hand when they took over the factory.

The plant's best machinery is gone—sent to the Soviet Union or to the satellite countries by the Russians. The Russian manager handed over an inventory to his Austrian successor, watched workers remove the Red flag from the factory entrance in a brief ceremony, then was gone without checking the inventory.

Not a scrap of raw material was left behind by the Russians. Even the big central power station of the factory was dismantled, presumably shipped off to the Communist empire.

Soviet methods of factory management, however, were left as one of the major problems for the Austrian manager. As you sit in the manager's office, for example, the telephone rings and the guard at the factory gate asks the manager whether he is to permit a company truck to enter the plant. This and other minor details, under the Soviet system, required the action of top management.

Accounting and bookkeeping under the Soviet system seem fantastic to management trained in Western efficiency. Every

(Continued on page 44)

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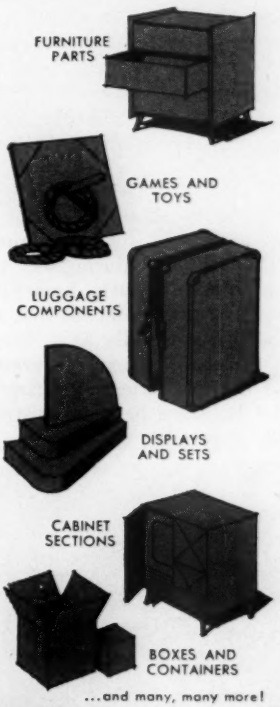

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[continued]

10 YEARS OF "LIBERATORS"

pound of material, for example, must be traced physically all through the production process by a complex checking system. It's a slow and cumbersome procedure.

"It will take many weeks, even months, before we can get the workers back to an efficient system of operation," the Austrian manager said. "Actually, it's a question whether the Government or any private company will want to make the investment that will be necessary to make this a going concern again. Now it's a wreck."

This factory near Vienna is neither the worst nor the best of those the Russians left behind. A few, a very few, factories show the results of an efficient—relatively—Russian management. Most are run-down wrecks or empty shells.

Hotels, seized by the Russians, also have been turned back to Austrians who were particularly anxious to get them to meet the recent tourist boom. But the Austrians are finding these hotels in terrible shape. The Imperial in Vienna, once one of the city's finest hotels, is found to be so dilapidated that it may never be reopened as a hotel.

Wooded estates seized by the Russians were stripped of all timber, with no replanting, no thought for the future. This despite the fact that, throughout the 10-year occupation of Austria, Soviet officials agreed with Western officials that Austria was to be treated gently as a "liberated" country, not an ex-enemy country.

Out of the industries and other enterprises the Russians held in Austria they have taken an estimated 220 million dollars' worth of profits from goods produced, oil sold, timber cut or machinery simply shipped out of the country. In addition, they required the Austrians to pay 370 million dollars for "occupation costs" during the 10-year period. Now they require the Austrians to pay about 390 million dollars to get back what the Russians cannot take with them.

In contrast, help to Austria from the U. S. has included food to keep the Austrians alive at the war's end; coal and raw materials needed to get industry started again; machinery and equipment for expanding and modernizing Austria's steel, chemical, aluminum, paper and power plants; fertilizers for Austrian farms. That adds up to the U. S. gift package of 1.4 billions, all over and above Austrian payments to the U. S.

At least one third of the funds for rebuilding and expanding Austrian hotels have come from U. S. aid. As a result, Austria now earns more than 80 million dollars a year from the tourist trade, compared to a prewar 43.5 million.

Not included in the total of U. S. aid is a sum of about 300 million dollars spent by U. S. occupation authorities.

Because the U. S. gifts exceeded the Russian "take," Austria today is more prosperous than at any other time since the first World War. Some income will be lost when occupation forces leave. But the Austrians, now trying to clean up the mess left by Soviet management of many of their industries, want no more Russian "liberation."

—United Press

RUSSIAN TROOPS IN AUSTRIA
They are leaving "run-down wrecks"

WHY WE EXPANDED IN IOWA

Fred Maytag

PRESIDENT: MAYTAG COMPANY, NEWTON, IOWA

"When the Maytag Company decided to go into the automatic washer and dryer business, various plant sites in different areas were studied. Some had certain advantages over Iowa, but comparing all the pros and cons, Iowa had the most to offer.

"We were particularly influenced by the enthusiastic support from the people. Their cooperation in adjusting to accommodate a new $5 million plant was exceptional.

"And, of course, we've always liked the living conditions and climate in Iowa. It's very pleasant here, away from concentrated industrial and population centers. The people are deep rooted, many representing third and fourth generation families.

"State government is good; taxes are reasonable; but it's the way of life, the kind of people, and a cooperative community that influenced our decision most to expand in Iowa."

Many manufacturers are agreeing with Mr. Maytag on the importance of living conditions to industry. Decentralization is on the upswing. Iowa's healthy climate, friendly and hospitable people make it an excellent choice for plant relocation or expansion. If you're thinking of a move, write to the Iowa Development Commission for a current list of available plant sites.

IOWA
DEVELOPMENT COMMISSION
200 Jewett Bldg. • Des Moines 9, Iowa

LET TWO PRODUCTION SPECIALISTS SHOW YOU

what the atom really does to steel's growth

There's production for rapidly increased volume—like a rabbit's.

Then there's production like a mink's, whose one litter a year of tougher pelts brings far higher returns than a rabbit's three.

Atomic power promises to make the steel industry produce like a bunny. New power plants are sure to create more demand for all kinds of steel.

But the real growth story is not this predicted increase in basic steels. It's a boom in the mink-grade steels.

An atomic power plant includes a steam boiler, as in a conventional plant. The tubes are carbon steel. But the jewelry end of the plant, the reactor which replaces a conventional furnace, requires its own special set of tubes—of stainless or other premium metals. Because the reactor tubes dare not leak, because all the equipment —the pump, the heat exchangers—must function indefinitely, no expense is spared to obtain the most enduring metals.

Carbon steel tubes for conventional boilers cost about $250 a ton. Stainless tubes for the reactor cost about $3,000 a ton.

For just one atomic-energy installation, Republic Steel furnished four-million feet of ENDURO Stainless Steel tubing.

Already the largest producer of stainless and alloy steels, Republic this year completed 22,000 tons of additional stainless steel finishing capacity.

REPUBLIC STEEL General Offices, Cleveland 1, Ohio

Where Diversification Creates Stability

Pontiac's Beauty is Pontiac's Alone!

THE STAR CHIEF CUSTOM CATALINA

What, to you, are the features that characterize the beauty of one car over another?

Do you instinctively like a car with long, low, rakish lines—like Pontiac's?

Does color appeal to you? Then you will love the rich beauty of Pontiac's striking Vogue Two-Toning.

Are you one of those who always look ahead instead of around to spot a fashion that stands apart—like Pontiac's Twin-Streak styling?

More than likely you admire all three. And that seems to be the opinion of just about everyone, because America is buying Pontiacs at the fastest rate in history!

And Pontiac is as beautiful to drive as it is to see. Its 200-horsepower Strato-Streak V-8 with four-barrel carburetor, an inexpensive extra-cost option, is writing a terrific record for economy and endurance.

Its smooth, instant response and its more than ample reserve for any emergency are positive proof that there's also beauty in sheer power.

And another important Pontiac feature is the way it's priced to fit so easily into any new-car budget!

See your dealer soon and learn why Pontiac is the year's most attractive buy.

Pontiac Motor Division • General Motors Corporation

Pontiac's flair for years-ahead styling was never more evident than in the fabulous all-new Safari.

Pontiac

WITH THE SENSATIONAL STRATO-STREAK V-8

A City— 200 Miles Long?

THE STORY OF LOS ANGELES

Some people might think Los Angeles has gone about as far as it can go. But it may be only starting.

"L. A." has been racing ahead of every other city in postwar growth—in people, jobs, homes. It keeps on breaking records.

Now Los Angeles is the country's third city in population. In another generation, it expects to be No. 1 in the nation.

This survey by *U. S. News & World Report* tells you how "L. A." does it—despite smog, trick heat waves, big growing pains.

LOS ANGELES

If you move to southern California in the next 20 years—and the mathematical chances that you will do so are fairly high—you may someday be living in a 200-mile-long city, biggest in the United States: Los Angeles.

Los Angeles is growing faster than any other place in America. There has been nothing like this expansion since the early flood tide of European immigration that built New York City. Most Americans, at one time or another, have dreamed about settling down beneath the California sun. A great many of them are doing so.

Result is that "L. A.," the urban mass that attracts most sun, fun and job seekers, has been exploding into mountain valley, farm land, desert and seacoast. Unlike New York, which is gasping in its own congestion, Los Angeles still has plenty of room for more millions. Even in the crazy-quilt limits of Los Angeles city, covering nearly 455 square miles and holding some 2.25 million people, you find lots of vacant space.

Growing pains in the form of smog, traffic, taxes, essential services are felt all the time in "L. A." The whole place looks unfinished. Yet Los Angeles keeps on spreading out, baffling census takers, population planners and economists. It sometimes seems as if the city didn't have time to notice its expansion pains—it is too busy growing.

Despite the mysterious, frequent smog, the sun keeps on shining. Jobs keep on opening up in the huge aircraft industry, in electronics, television and movies, in a long list of diversified lines.

Los Angeles spends millions and millions for freeways to get people 60 miles or more from home to work; for water, power, sanitation, schools. It mothers and nurses scores of little "cities" that spring up overnight from bean fields and orange groves.

If you are looking for an orange grove in which to spend your retiring years, you'll have to hurry. All around "L. A." the orange trees are giving way to subdivisions packed with new ranch houses displaying big signs that say "NO DOWN" or "NO NO DOWN," meaning positively no down payment.

The "elastic city." Where will expansion end? Does the fantastic growth of this city have any limits?

Experts hesitate to make flat predictions. Their slide rules have been thrown out of kilter too often by the way the city defies political division and confounds economic dogma.

However, most analysts believe that the next two decades are likely to see an integrated metropolitan area, called Los Angeles, stretching from Santa Barbara all the way to San Diego and the Mexican border. They visualize it

[continued]

THE STORY OF LOS ANGELES

as roughly 200 miles long and flowing eastward to the mountain ranges.

Such predictions are carefully qualified, of course. The biggest "if" is an adequate supply of water for 10, 12 or 15 million people.

Boundary lines will have to be elastic, but they already are. Municipal limits lose all meaning out here. Many Angelenos haven't the faintest idea whether they live in the "city" or not. The actual city limits meander all over the place, surround six other "cities" and descend 20 miles through a narrow corridor to gobble up the port of San Pedro, which periodically makes half-hearted efforts to "secede."

Population race. You can use almost any kind of yardstick on Los Angeles. If you take the area delineated as the "city," it is doing fine, even though the biggest growth is outside the limits. Los Angeles has overtaken Detroit and Philadelphia since 1950, also expects to pass Chicago in five years, and to beat out New York City in 20 years.

Right now, if people in Los Angeles lived as close together as they do in Gotham, there would be 40 million of them. However, Angelenos are not about to get that chummy. They want room around them.

Even Los Angeles County, with 46 cities and 5 million people, isn't really all of "L. A." Sparked by a new freeway, the latest spread is southward into Orange County, down around Santa Ana and beyond. Orange County now is figured into the Los Angeles metropolitan area, which, the last time anyone counted, had some 5,340,000 folks.

And even the "metropolitan area" refuses to stand still, boundarywise. Inexorably, it is poking its way toward Ventura and Santa Barbara counties on the northwest, Riverside and San Diego counties on the southeast.

All three categories, city, county and metropolitan area, keep on adding people in large numbers. The county, for example, gained more population between 1940 and 1950 than any State in the U. S. except California itself. Then, from 1950 to the spring of 1955, the county acquired 848,000 more people—a 13 per cent surge. That five-year gain amounts to the total-area population of Washington, D. C., or Boston.

As for the Los Angeles metropolitan area, it has gained 22.4 per cent since the last census. It now has 42 per cent of California's people.

Growth like this keeps the home builders busy putting up modern houses and digging swimming pools by the thousands. In the San Fernando Valley alone, thousands of new units are going up.

Westward ho! Why do the people keep on coming? Most experts believe the big factor is the nation-wide yen for outdoor, country-club type of living. Jobs, too, provide a magnet, though it is a tossup whether the work draws the people or the people attract the work.

One top researcher, Dr. Warren S. Thompson, of Oxford, Ohio, who has just finished a survey on California population growth and changes for the Haynes Foundation, of Los Angeles, holds the theory that Angelenos generate their own economy.

Dr. Thompson says he kept looking for specific economic trends that attracted the spectacular migration to Los Angeles, but he didn't find them. He became convinced that secondary industries and smaller firms, rather than the big ones such as aircraft, will in the long run prove most important to the growth of Los Angeles.

Service industries—people taking in each other's washing, as it were—will bulk big in the area, Dr. Thompson predicts.

There's no doubt about the attraction of outdoor living in a superb climate and setting. Heat waves, such as the one which sent temperatures above 100 recently, are so infrequent they attract national attention. In Los Angeles the newcomer finds himself on the doorstep of a vast, year-round playground. No matter where he lives, he is a matter of an hour or so from palm-fringed beaches for bathing and boating; mountains for skiing, fishing and hunting; desert oases for fun and games.

Smog, which Los Angeles has yet to master, has taken an edge off the lure, but it has not really checked over-all growth. Public transit is a headache, and traffic conditions are getting more serious. In the vague distance there's worry about whether there will always be enough water.

One feels an undercurrent of concern in some circles about what will happen to Los Angeles if the aircraft industry, which employs nearly 200,000 people, should be slowed down by a depression or "warm" peace, or if it should be dispersed because of vulnerability to air attack.

As yet, however, fretting about the future has not begun to affect the influx to Los Angeles or caused large numbers of people to move away. This is the case despite the predictions of many important people at the end of the war that: "The road to Oklahoma will be black with cars again—going east."

It just didn't happen. The "Okies" are still coming west. Now they ride in convertibles.

Shift and change. As it grows and blooms and pushes out lengthways and sideways, Los Angeles has become a restless place.

Time was when "L. A." spelled a haven for well-heeled retired Iowa farmers. Per capita income was 40 per cent above the national level. Hollywood gave the place glamour, but the basic economy was fruit and vegetable growing. Life was placid, the people were settled and liked a snooze under the palm trees.

Now approximately one fourth of all Angelenos change their addresses once a year. Phone books are out of date before they are off the presses.

The people are much younger. The place is alive with children. Income now is 20 per cent above the national level. Three out of every 10 workers are in some kind of industry. Since 1950, the number of industrial jobs in metropolitan "L. A." is up 68.8 per cent.

Men and women live and work in sports clothes—slacks, splashy shirts, shorts. They work hard, play hard and do not hesitate to plunge into long-term debt to get what they want.

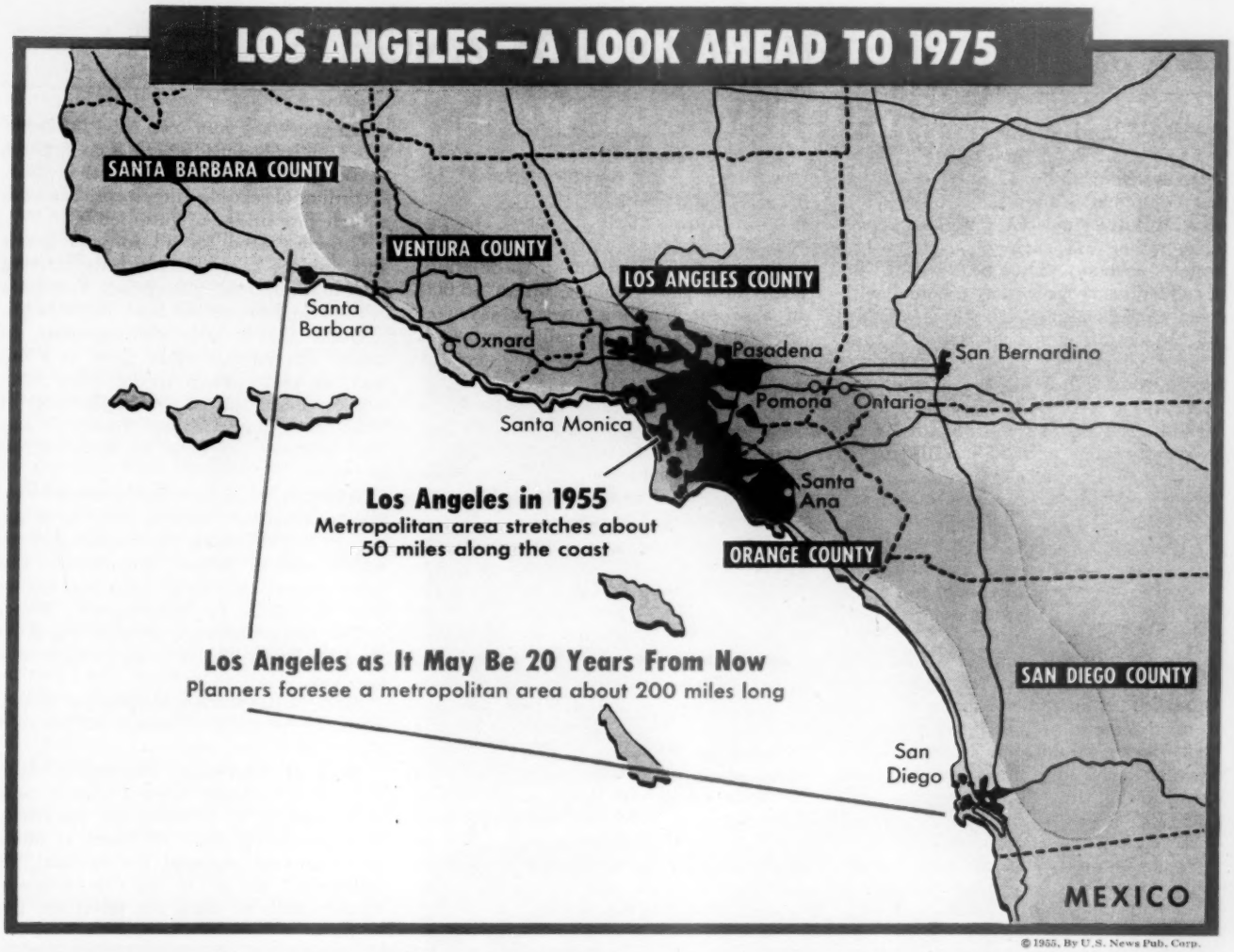
Most families have two—or, as they put it, "one and a half"—cars, a new one to keep at home and an "old clunker" to drive to work. You see more prewar automobiles on Los Angeles freeways than in any other place in the U. S. All told, there is a car for every 2.1 persons.

Schools are so crowded that thousands of children are on part-time sessions. Spread-out of homes and factories, mostly one-story affairs, has reduced the citrus industry to one third the size of the dairy business.

Los Angeles still has its bums, its freaks, its "Skid Row" with clip joints. Old men and women still doze in Pershing Square. Much of the downtown area is overrun with shoddy discount houses displaying signs in both English and Spanish.

But these things are hardly typical of today's Los Angeles, taken as a whole. Life really revolves around the suburbs, the freeways, shopping centers, new homes and the outdoor play places. Even more than in most cities, people get out of the habit of "going downtown." In a sense, "L. A." makes visitors think of a lot of suburbs looking for a city.

Growing big roots. Almost everything about Los Angeles is getting bigger. The city has the "world's biggest" drugstore, gas station, used-car lot, farmers' market. Huge fun fairs such as Knott's Berry Farm and the new, 11-



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million-dollar Disneyland—where 11,000 orange trees grew a year ago—are a short ride, by freeway, from mid-city. A 10-million-dollar hotel is being completed in the same area, with three swimming pools, a golf course and parking space for 700 cars.

Analysts believe that a feeling of "belonging" to Los Angeles develops here more rapidly than in other places. It takes only a couple of weeks, they say, to turn an Iowan into an Angeleno—about the time it takes him to buy some gay sports shirts or, maybe, a firewagon-red sports car.

From then on, the new resident will defend this area as vehemently as the old settler.

Among the latter, you get the occasional businessman who says he's been tempted to move out of the smog if he could do as well elsewhere; or you may encounter a taxi driver, sick of traffic bottlenecks, who asks how he can get to be a longshoreman on the New York waterfront, "like Marlon Brando."

But, by and large, Angelenos are staying here in droves. The area is far more permanent, more stable, than it looks. A great deal of the stability is ascribed by Los Angeles leaders to the powerful—and diversified—industrial base that has been built up since World War II.

Oranges to airplanes. "L. A." grew to its prewar stature on sunshine, oranges and oil. But, today, jobs in manufacturing total 50 per cent more than the manufacturing employment of the whole State of Texas.

During the war, existing industries expanded almost overnight, brought in new ones. Despite deflation in aircraft and shipping, there was no postwar collapse. Nondefense industries poured in to tap the big available labor pool, mushrooming markets, high income. GI's by the thousands, seeing Los Angeles on their way home from the Pacific, settled there with their families.

The temporary recession in 1949, shared by the nation, was over before the Korean war set off a new spiral of expansion. Los Angeles then showed the biggest defense growth of any U. S. city.

Jobs in California and Los Angeles have grown even faster than the number of people. Employment is up 90 per cent since 1940, while in the same period population has gained 83 per cent. "L. A." itself has 67 per cent of the manufacturing jobs in the State, 42 per cent of those in all 11 Western States.

Growing industries such as electronics, which accounted for 24 per cent of the Los Angeles industrial expansion last year, keep the area from slipping badly in times of national downturn. In 1954, for example, factory employment fell off only 1.3 per cent, as compared with a national drop of 7.4. Today, Los Angeles unemployment is lowest since the war, less than 3 per cent.

There is plenty of room for low, spread-out factories in the Los Angeles area. Outdoor storage and assembly are usual in manufacturing. "Expandability" is available for such Los Angeles industries as machine-tool production, which has grown from 25th place in the country to fourth place.

Industrial acreage, with utilities, costs

[continued]

THE STORY OF LOS ANGELES

about one third of what it does in the Chicago area. Taxes are about the same.

Diversification, too. The area's biggest employer, aircraft, continues to grow. But diversification makes its importance rather less each year in the Los Angeles economy. Since the Korean war, aircraft-industry growth is credited with creating 46 per cent of the total job gain. But the aircraft industry has only 8.3 per cent of all jobs in the area. There are lots of other industries, big ones.

"L. A." now puts up one third of the canned sea food in the U. S., makes 22 per cent of the oil-field machinery, 20 per cent of the auto trailers.

The area is the biggest producer in the U. S. of heating, pumping and compressing equipment and of aircraft and motion pictures. It is second in many fields —including auto assembly, women's clothing, jewelry; third in petroleum, refining and rubber manufacture.

Angelenos long complained that their area was cut off from the rest of the country by a mental barrier in the form of management prejudices in the East. That barrier would seem to be breaking down. Several big firms, among them Rexall Drug, Inc., and Carnation Milk Company, have moved their national headquarters here.

Financial activity in the Los Angeles area is matching the growth of industry. Even in Wall Street, bankers look wistfully at the multicolored brochures proclaiming southern California's greatness. Los Angeles bank deposits gained 58.5 per cent from 1949 to 1954, now stand as the country's third largest.

As in most boom economies, real estate is the favorite investment—or speculation. With farm land fetching up to $6,000 an acre for building, experts say you can't blame farmers for selling out. One result: Growers destroyed 4,800 acres of trees last year.

Homes? Metropolitan Los Angeles is building more of them—105,800 last year—than all of New York or any other State except, naturally, California. This year, home-building permits are running at an annual rate of 116,000.

The migrants. Los Angeles attracts groups other than industrial workers. People still come to farm, to start little businesses. Newcomers include an influx of racial-minority groups, scientists and creative artists for television and movies.

Although Los Angeles has lost its place as providing the nation's top farm income, that income still stands at around 300 million dollars a year. It still is a great place for raising everything from almonds to zucchini. While production of fruit crops is way off, output of field crops is up. Farm hands still make as much as $30 a day at harvest time, even though California has to import some oranges from Florida these days.

Do you want your own little business? Los Angeles is getting to be a great place to be your own boss. No other area, according to leading Angelenos, has such a high proportion of proprietors.

Growing need for all sorts of goods and services keeps people busy starting new—and different—enterprises. You don't have to be different out here, but it helps.

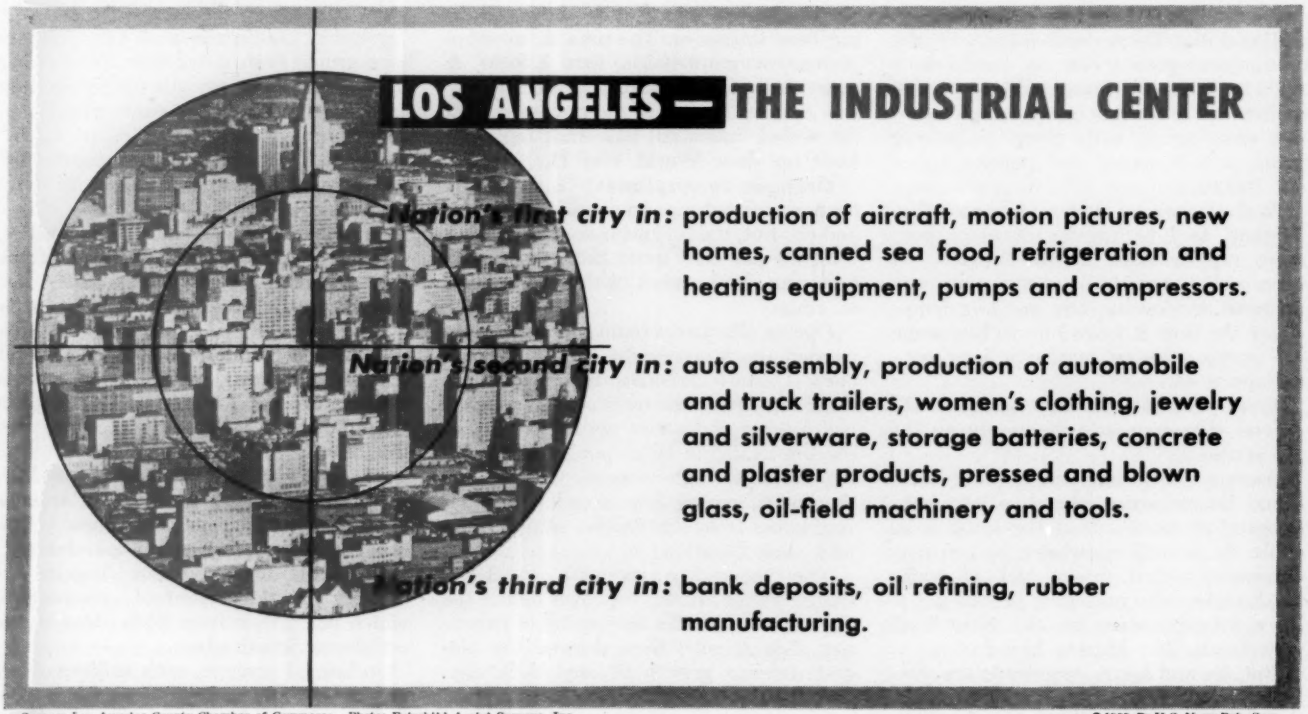
Quite a few little entrepreneurs go broke. But enough make good in a big way to keep others trying. One electronics shop started in September of 1953 with four people. Today it has 500 workers, expects to have 1,200 by 1956.

Scientists, educators find southern California attractive because they have access to world-famous institutions and research centers. Artists, entertainers also enjoy superb technical facilities, know-how and space for working and living.

The movie industry, after taking it on the chin from TV, is coming back in a big way.

Most of the studios are making money again. Current film revenue is 6.5 per cent ahead of a year ago.

Role of television. Meanwhile, Hollywood is building toward a new peak of prosperity by working for television. It is providing some 10 times as much entertainment material for national TV audiences as it is for movie-goers. Manufacture of films for television has


LOS ANGELES — THE INDUSTRIAL CENTER
Nation's first city in: production of aircraft, motion pictures, new homes, canned sea food, refrigeration and heating equipment, pumps and compressors.
Nation's second city in: auto assembly, production of automobile and truck trailers, women's clothing, jewelry and silverware, storage batteries, concrete and plaster products, pressed and blown glass, oil-field machinery and tools.
Nation's third city in: bank deposits, oil refining, rubber manufacturing.

Source: Los Angeles County Chamber of Commerce —Photo: Fairchild Aerial Surveys, Inc.

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become a 100-million-dollar industry yearly, keeps 250 companies busy.

What's more, the "live" television industry in Hollywood is adding uncounted millions more to the kitty—at least 10 million dollars more each year for actors alone.

The new, if uneasy, alliance between movies and television brings to "L. A." an increasing flow of trained people, most of them at the expense of New York's Madison Avenue. These artists, technicians and writers take the place of the starry-eyed youngsters who used to flock to Hollywood, hoping for movie contracts but winding up as car hops in drive-ins.

Today's Los Angeles car hops are trained waitresses, not movie-happy high-school girls from the Midwest.

The nonwhites. For the most part, new and old Angelenos are white and native born—83 per cent of the total population, or slightly above the national average.

But this has always been a friendly place for foreigners and for racial minorities, except for the war years that followed Pearl Harbor.

Now, throughout the area, the outsider who looks for intolerance has a hard time finding it.

The Japanese, transplanted during the war, are back. And they command a high degree of respect, mixed with widespread regret that they were pushed inland in the first place.

There are about 300,000 Mexicans in metropolitan "L. A.," but they do not seem to pose the racial problem that the Puerto Ricans have created in New York City. For one thing, they've always been here.

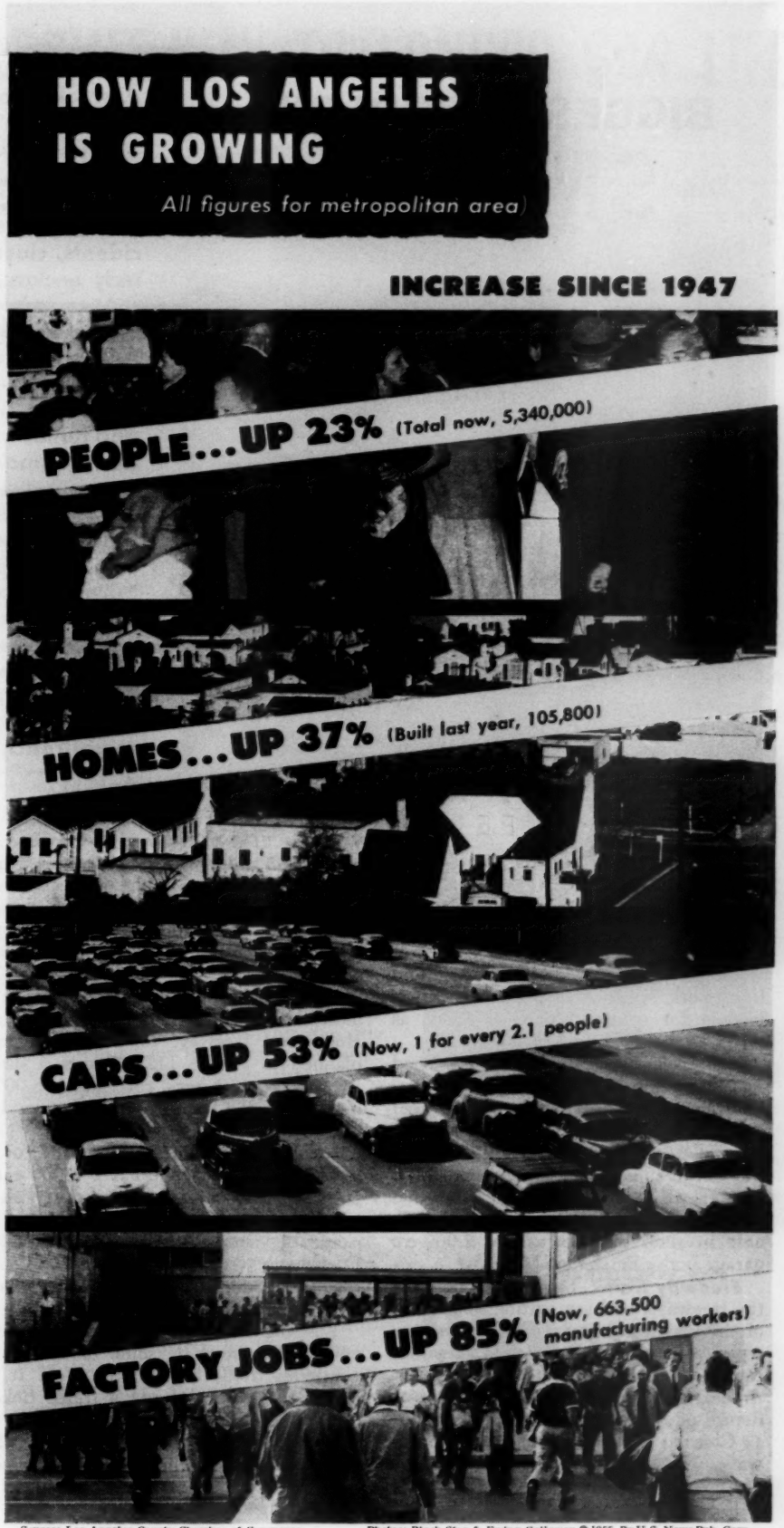
Since the war, Negroes have increased rapidly in the area. There now are about 275,000 Negroes in Los Angeles County, as compared to 75,600 in 1940.

The Negroes often come west in groups of several families. Sometimes a Negro preacher will lead his entire flock to Los Angeles. Most Negroes live on the west side of the city, but they are beginning to spread out, buy homes, move into the middle-income areas. There isn't any real segregation.

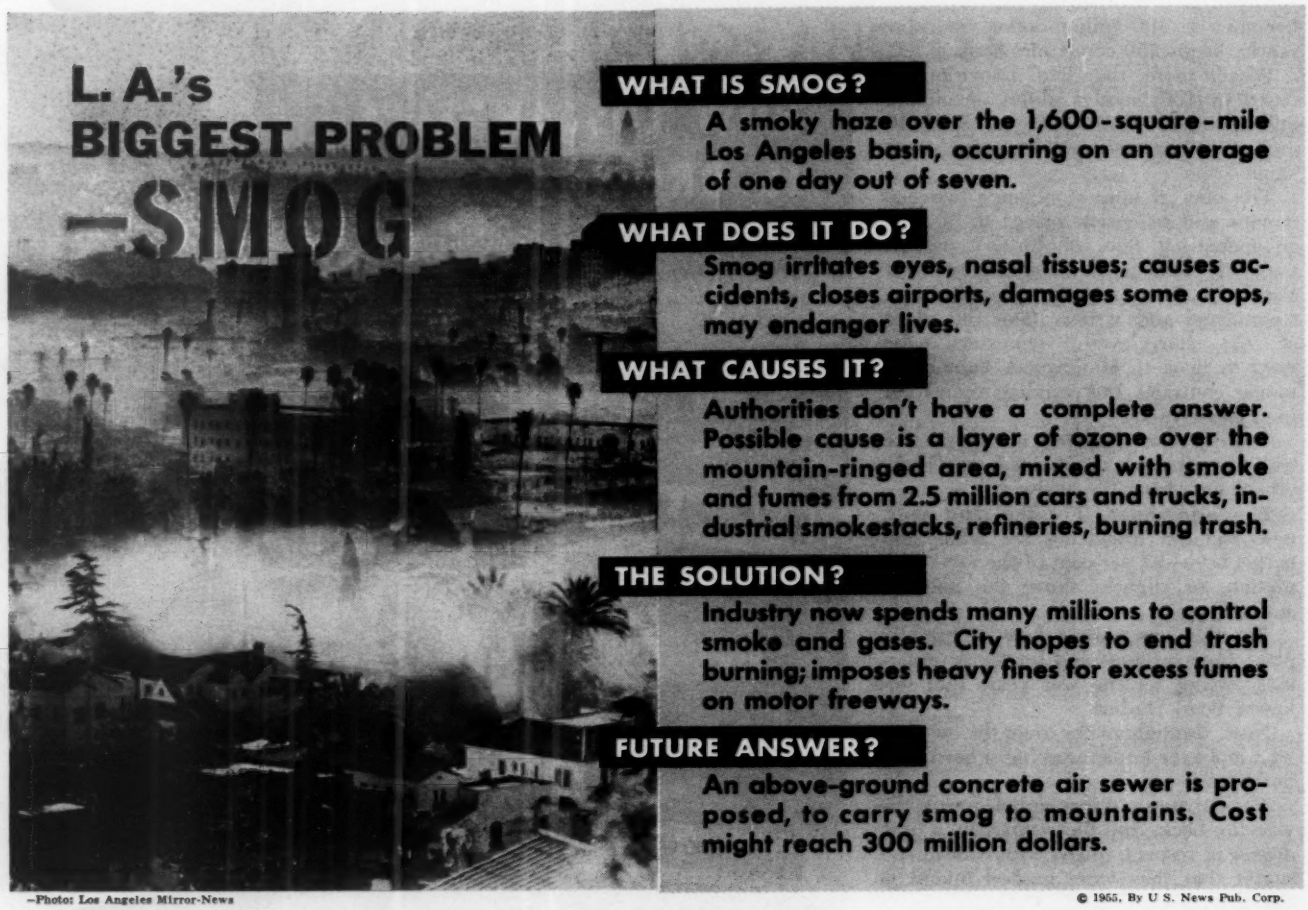
City on wheels. Los Angeles covers so much space—there are more than 4,000 square miles in the county—that its growing pains are not as noticeable as those of New York or Chicago. Traffic, for example, seems to move much more smoothly than on the streets of Manhattan or on the outmoded parkways around New York.

However, with 2.5 million passenger cars rolling most of the time, "L. A." has a big traffic problem—and a public-transit headache that may be incurable.

(Continued on page 52)


HOW LOS ANGELES IS GROWING
All figures for metropolitan area
INCREASE SINCE 1947
PEOPLE...UP 23% (Total now, 5,340,000)
HOMES...UP 37% (Built last year, 105,800)
CARS...UP 53% (Now, 1 for every 2.1 people)
FACTORY JOBS...UP 85% (Now, 663,500 manufacturing workers)

Source: Los Angeles County Chamber of Commerce —Photos: Black Star & Ewing Galloway © 1955, By U.S. News Pub. Corp.


L. A.'s
BIGGEST PROBLEM
—SMOG
WHAT IS SMOG?
A smoky haze over the 1,600-square-mile Los Angeles basin, occurring on an average of one day out of seven.
WHAT DOES IT DO?
Smog irritates eyes, nasal tissues; causes accidents, closes airports, damages some crops, may endanger lives.
WHAT CAUSES IT?
Authorities don't have a complete answer. Possible cause is a layer of ozone over the mountain-ringed area, mixed with smoke and fumes from 2.5 million cars and trucks, industrial smokestacks, refineries, burning trash.
THE SOLUTION?
Industry now spends many millions to control smoke and gases. City hopes to end trash burning; imposes heavy fines for excess fumes on motor freeways.
FUTURE ANSWER?
An above-ground concrete air sewer is proposed, to carry smog to mountains. Cost might reach 300 million dollars.

—Photo: Los Angeles Mirror-News

© 1955, By U. S. News Pub. Corp.

With almost everybody who can afford it driving to work, local transit lines lost half their passengers between 1947 and 1954. Passenger cars, meantime, increased 50 per cent.

Late statistics show that 74 per cent of all Angelenos use their cars to get to and from work, spend 16.4 per cent of their income for transportation, or twice as much as the average New Yorker.

"I think public transit may be finished here," one civic-minded Angeleno acknowledged. He pointed out that a recent strike on one of the major bus lines seemed to make very little difference to the work-going public, caused no serious increase in traffic congestion, and that parking space downtown was still available in such big lots as the 2,000-car garage under Pershing Square.

Freeway traffic. Some buses now use the freeways, and are getting back some of the commuter business. But the freeways weren't really built for rapid public transit—they lack turnouts and bus lanes. An early plan to build the freeways with depressed transit strips down the middle, as Chicago is doing on its new expressways, was killed by the California Legislature.

Freeways are fine, however, for private cars. The freeway plan for "L. A." covers 535 miles, and by early this year 166 miles had been built and a total of 377 million dollars spent. Two thirds of the money comes from the State's 6-cent gas tax, the rest from local and federal sources.

But the freeways are overcrowded almost as soon as the concrete is dry. The Hollywood freeway, for example, was planned to handle 112,000 cars a day. By last year it was carrying 168,000, making it the most-traveled artery in the world.

Near the downtown center, the four-level freeway exchange has 250,000 cars crossing every day. You can see why this is when you look at the experience of a single big company, Lockheed Aircraft. Lockheed's workers come from 168 communities, some of them driving 60 miles to work every morning.

Los Angeles arteries are clearly marked and well policed by some of the most courteous traffic cops in the U. S. It is almost a pleasure to get a traffic ticket on Wilshire Boulevard, compared to a similar experience on New York's 42d street. Sometimes, the New York policeman makes the offender feel as though he has just shot the mayor.

Trouble downtown. The downtown area in Los Angeles has been hurt badly by the new patterns created by long-distance freeway driving and suburban living. Property values are down. There are more vacancies. Older buildings require repairs and replacements. Many blocks are filled with stores which look like outdoor bargain basements.

This is not a problem indigenous to Los Angeles. All big cities have the same trend. But here the figures are especially depressing.

As late as 1929, downtown Los Angeles had 75 per cent of all department-store sales in the county. By this year, for the first quarter, the share was down to 21.4 per cent.

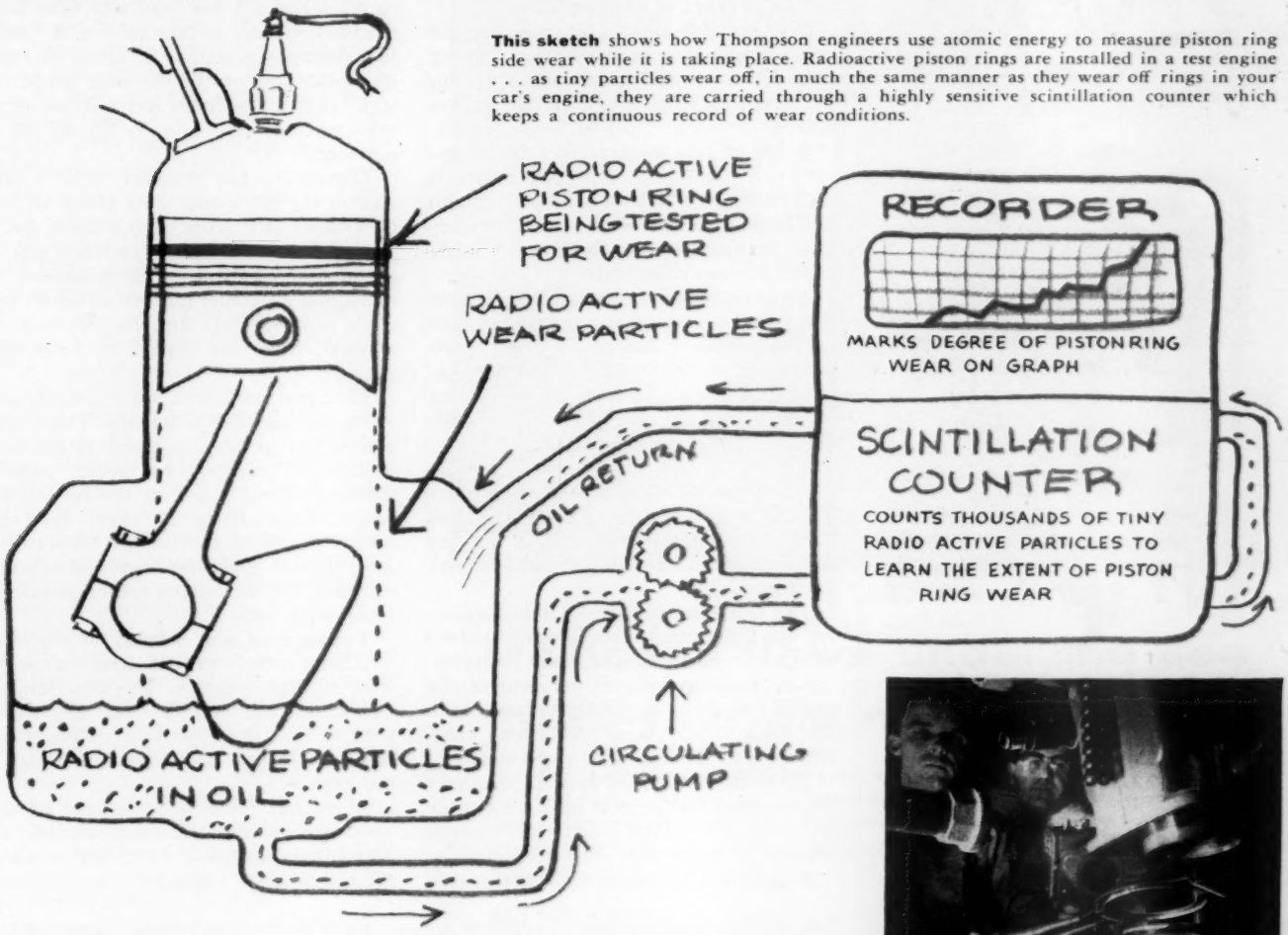
Some downtown shops are upgrading to catch the higher-income spenders. Many, however, are downgrading to catch the bargain-hunting masses. Many are closing. Even on Wilshire Boulevard's "Miracle Mile" you see vacant stores.

In certain retail quarters there is a feeling that the worst is over. Other circles take a gloomy view, think the downtown area may become almost entirely financial, distributive, transient and governmental. Certainly the people are living

(Continued on page 54)

THOMPSON RADIOACTIVE TESTS REVEAL ENGINE WEAR—POINT WAY TO LONGER CAR LIFE

This sketch shows how Thompson engineers use atomic energy to measure piston ring side wear while it is taking place. Radioactive piston rings are installed in a test engine . . . as tiny particles wear off, in much the same manner as they wear off rings in your car's engine, they are carried through a highly sensitive scintillation counter which keeps a continuous record of wear conditions.


RADIO ACTIVE PISTON RING BEING TESTED FOR WEAR
RADIO ACTIVE WEAR PARTICLES
RECORDER
MARKS DEGREE OF PISTON RING WEAR ON GRAPH
SCINTILLATION COUNTER
COUNTS THOUSANDS OF TINY RADIO ACTIVE PARTICLES TO LEARN THE EXTENT OF PISTON RING WEAR
OIL RETURN
CIRCULATING PUMP
RADIO ACTIVE PARTICLES IN OIL

THE DAY MAY NOT BE too far away when the engine in your car will last twice as long as it does today.

Important progress toward that goal is being made by Thompson Products engineers who have uncovered new discoveries in wear patterns of car, truck and tractor engines. To do so, Thompson put man's most modern "tool". . . atomic energy . . . to work in new testing techniques.

Here's how Thompson does it...

Engine parts to be studied for wear are irradiated in an atomic pile. These radioactive parts are then placed in a test engine. Tiny radioactive metal particles, torn loose by wear, are picked up by lubricating oil and circulated through a scintillator, a measuring device 50 times more sensitive than a Geiger counter.

From these radiation measurements, Thompson engineers are learning *how* parts wear, *where* they wear, and *when* they wear. For example, Thompson is now hard at work studying the side wear tendencies in piston rings after new discoveries about this little-known subject resulted from the new radio-isotope tests.

Other tests to follow involve such vital engine parts as bearings, valves, tappets, rocker arms, connecting rods, gear teeth and pistons.

This important new development typifies the thoroughness and ingenuity of research methods, development skills, and manufacturing facilities that have made Thompson Products one of industry's leaders for more than 50 years. Today such industries as automotive, aviation, agricultural, appliances, metallurgy, hydraulics, pneumatics, electronics and many others count on Thompson. Thompson Products, Inc., General Offices, Cleveland 17, Ohio.

A Thompson engineer installs a radioactive piston ring in a test engine using special tools designed to protect personnel from over-exposure to dangerous radioactive rays. A second engineer closely observes the radiation count to be sure that safety limitations are maintained.

You can count on

Thompson Products

MANUFACTURERS OF AUTOMOTIVE, AIRCRAFT, INDUSTRIAL AND ELECTRONIC PRODUCTS. FACTORIES IN SIXTEEN CITIES.

[continued]

THE STORY OF LOS ANGELES

elsewhere. Between April, 1950, and September, 1953, downtown Los Angeles lost 15 per cent of its population.

One hopeful trend, however, is the rather impressive building that is going on, or planned, for downtown. Total for the next two years is put at 200 million dollars.

A lot of this is municipal building—tax-free. Rebuilding of a civic center is well along. New, glassy police and health buildings already are up, their modern lines contrasting with the classic façade of the 32-story City Hall.

A big housing development on Bunker Hill, not far from the civic center, will cost 40 million dollars and provide apartments for 20,000. Nearby, the Union Oil Company plans a 13-story office building to cost 20 millions. Other big office buildings are under way or planned.

Yet the downtown tax base is shrinking, and downtown property owners are helping to pay for many of the services and facilities that are decentralizing Los Angeles and undermining the downtown's livelihood.

The tax bite. In a free-handed economy like California's, people want the best of services. But they also want low taxes.

Los Angeles, with 43 per cent of the State's people, is especially vulnerable to the urge to spend—on everything from freeways to schools, sewers, pensions.

Total budgets of all Los Angeles city departments for the next fiscal year come to nearly 360 million dollars. The county budget is about 320 millions annually.

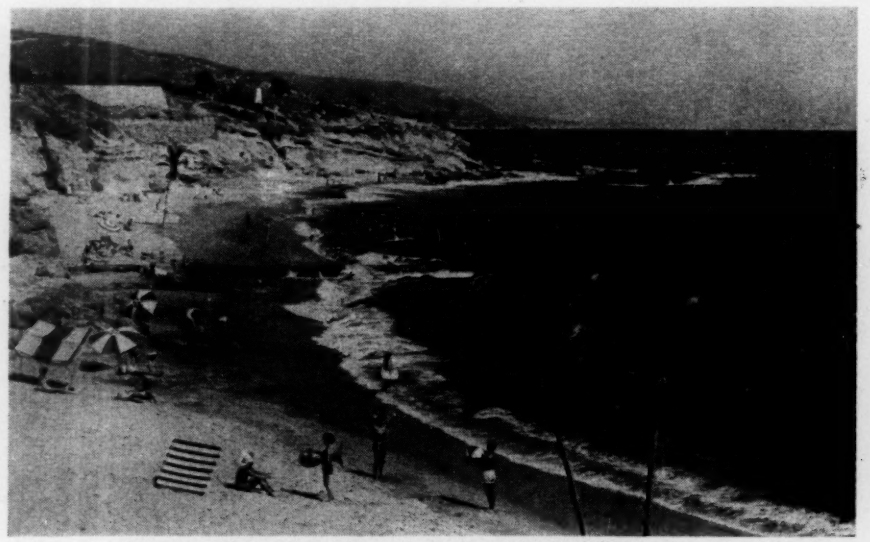
Biggest city tax source, property, provides 40 per cent of total receipts. But the sales tax contributes 19 per cent. Los Angeles has a 1 per cent city sales tax, doubled recently to take care of 300 million dollars expected to be spent on capital improvements in the next seven or eight years. The State has a 3 per cent sales tax, so the bite in "L. A." is 4 per cent.

Downtown Los Angeles, with 3 per cent of the city's area, pays about 10 per cent of all city taxes. This coming year, Mayor Norris Poulson, a certified public accountant and former Congressman, is managing an actual rate reduction in the city's property tax. But, for the area in general, taxes are bound to keep going up.

This year, county tax assessments are going up on 200,000 parcels. There was a near riot among taxpayers in the San Fernando Valley when higher assessments were explained by the county assessor. From 10 to 25 cents must be added yearly to the county tax rate to meet growth problems requiring a fairly constant 150 millions in capital improvements each year.

Young and old. Schools, as much as anything, reflect growth and tax problems in Los Angeles. The city schools had 22,000 more children last December than at that time the year before. Current enrollment is up an additional 5 per cent.

Angelenos have been voting school-bond issues wholesale. There was one for 130 million dollars in 1952 and another, for 133 millions, last April. From the first



SUN AND SEA ON THE DOORSTEP
Beaches like Laguna give "L. A." an all-year playground

a welcome sign
in Latin America

INTERCONTINENTAL HOTELS CORPORATION means superb accommodations, wonderful food and friendly, gracious bi-lingual service throughout Latin America. All rooms are magnificently appointed with a decorator's flair. Many are air-conditioned and all have modern, private bath. IHC hotels offer convenience and prestige to business men . . . and many of them provide glamorous vacation features such as colorful outdoor pools and sun terraces. When you travel to South America, Cuba or Mexico you'll find the IHC sign a truly welcome one.

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BELEM, PARA, BRASIL
Hotel Grande
MEXICO CITY
Hotel Reforma
BOGOTA, COLOMBIA
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Hotel Del Lago
HAVANA, CUBA
Hotel Nacional de Cuba
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Miami 9-8674

funds, more than 2,300 classrooms and other units were built.

As a safeguard against population shifts, many new schools are being built in demountable form so they can be picked up and moved to new locations. Teachers are so scarce that, in some cases, high-school graduates are on the job. Salaries are good—some 8,500 of the city's 14,000 teachers make more than $5,000 a year.

At the other end of the age scale the welfare burden still is heavy, even though the population is getting younger. Governor Goodwin J. Knight recently signed bills raising old-age pensions to a maximum of $85 a month, those for the blind to a maximum of $95 monthly.

Two years ago, California's welfare payments to the aged were 10.5 per cent of the total for the nation. The biggest load was in the Los Angeles area. Yet the State had only 7.5 per cent of the country's people 65 or older. Los Angeles County alone has 170,000 old-age pensioners, compared with 117,000 in New York State.

The real "Dragnet." Angelenos take pride in some of the services they pay for—notably the police force, dramatized all over the country by the television program "Dragnet."

In the last six years, the "L. A." police force has made a strong comeback in morale and efficiency. In 1949, the city was rocked by vice and graft scandals involving higher-ups.

Indictments were brought and, though none of the charges was sustained, several officials resigned. A Marine general became temporary police chief and reorganized the department. It has since become free of political control.

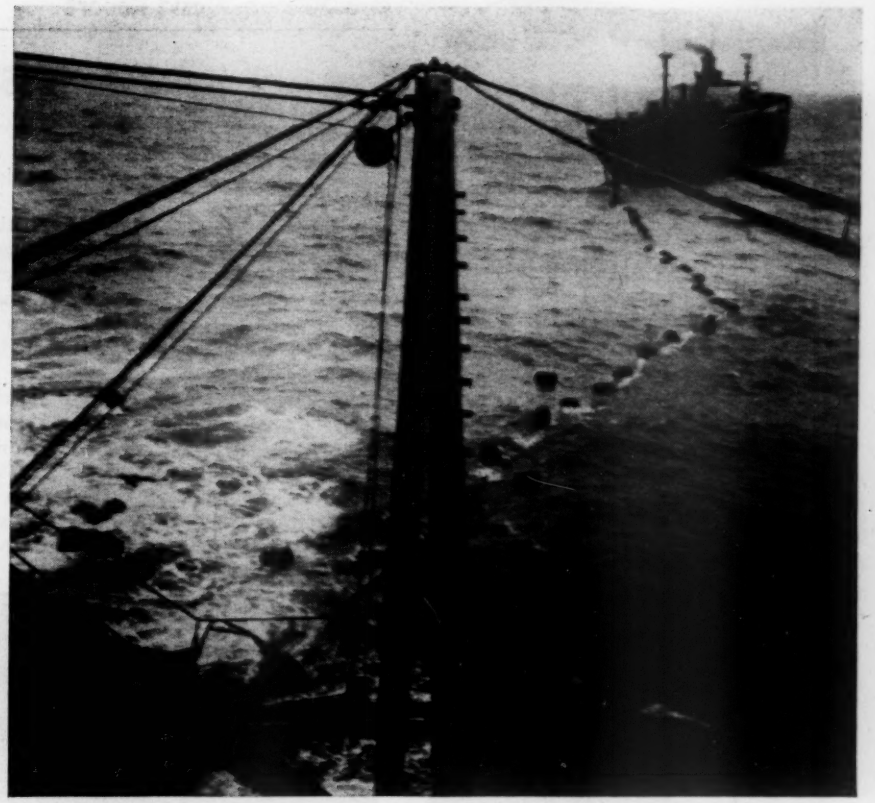
Open gambling and vice do not exist in Los Angeles today. The city as a whole is showing satisfactory anticrime trends, despite its big transient population and growing pains.

As of the end of May, this year, major crimes were down 4 per cent from the previous year, arrests up 9 per cent. The Los Angeles narcotic squad is rated as tops. Juvenile officers, by preventive programs, have eliminated major problems in youthful crime. City police records of criminals are regarded as second in efficiency only to those of the Federal Bureau of Investigation. Stiff training of recruits weeds out misfits, permits upgrading of officers.

Even so, Los Angeles has only 9.2 policemen to the square mile compared with 52.4 in New York, 33.3 in Chicago and an average of 37 for major U. S. cities. There are fewer than 4,500 Los Angeles policemen.

Smog in the sky. Some big Los Angeles problems, however, are beyond

(Continued on page 56)



Molasses flows under the sea in 20-year-old neoprene hose

Some of the first neoprene hose ever made is still seaworthy after twenty years of rugged service in the Hawaiian Islands. The hose shown above—used to transport molasses from shore to ship—is battered by waves, cross currents and ground swells for 34 hours at a time while tons of molasses pour into the tanker's hold.

BUT THE BEATING the neoprene cover and tube take in salt-water service is only a part of the rough duty. For months the hose must lie in storage in the tropical sunlight and under the prolonged stress of supporting its own weight. Ordinary rubber would flex and crack under the strain, but neoprene, Du Pont's chemical rubber, stays resilient and ready for service.

If you want performance like this in your product, remember that no other resilient material can match neoprene's *balanced combination of properties*. A component of neoprene can add new selling points and customer attractions to your product. And in your plant neoprene can reduce maintenance and replacement costs. For on-the-job examples of how neoprene has cut costs and gained sales for other companies send for our free booklet.

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[continued]

THE STORY OF LOS ANGELES

the reach of the police. Smog is a prime example.

Smog is the most intense conversation piece in town. Angelenos are self-conscious about it to the degree of embarrassment, even though many realize it is no worse than in some other cities. They seem to feel that smog is one blight that shouldn't happen here, to such a nice climate.

Smog makes for sore eyes, raw throats, short tempers. It causes accidents, shuts down airports. Nobody is sure how to isolate the cause, eliminate it.

Back in 1947, smog was thought to be sulphur from the refineries. But now sulphur has largely been eliminated from industrial pollutants, and the smog is even worse.

Hydrocarbons were suspected for a while, and then discarded. Now ozone, a form of oxygen smelling something like chlorine, is taking the rap. Los Angeles has the highest concentration of ozone above it of any place in the world.

Sunshine, acting on the atmosphere in areas with a high ratio of warm, sunny days, forms ozone. This, together with pollutants, such as fumes from car exhausts, causes eyes to smart, makes rubber crack, damages crops, can even endanger life.

In Los Angeles, the mountains surrounding the coastal basin, plus temperature inversions whereby a layer of cold air keeps a lid on the warm air below, hold the mixture of ozone and pollutants close to the ground.

One day out of seven, on the average, is smoggy here. Firms in the smog belt are finding it harder to keep workers. Some industries and people are moving, or talking about it. Subdividers advertise, "Out of the Smog Belt." But no one can be sure where the smog belt really ends.

Chances are that Angelenos will, in the long run, demand and get clean air just as they got clear water, flood control and sewage works even though they had to pay a billion dollars to do so. Few people around here are afraid to spend for what they really want or need.

Drought ahead? The other big, long-range problem is water. In a sense this problem has been postponed by the shift in Los Angeles land use from crops to people. Decline in farm use of water has nearly offset the increased use by homes and factories.

The current increase in use of water for southern California is being met from the Colorado River, via an aqueduct 300 miles long. So far, Californians say, only 20 per cent of their allowance is being used up. But some planners fear there is not enough water in the Colorado to provide Mexico with its guarantee and still leave enough for States along the river.

First new supply of water for Los Angeles is not foreseen until 1976. It is expected to be from the Feather River project, which would bring water 500 miles from the North. Now a legal ruling on water priorities for California's "counties of origin," all of them where the streams start in Northern California, may

—Columbia Pictures Corp.

MOVIE STUDIOS ARE BUSY AGAIN
Teamwork with TV brings a new boom to Hollywood

all this and australia, too!..

You might consider going *around* the Pacific instead of just across it, the ordinary back-and-forth-way. There are splendid rewards: you visit the South Seas, Australia, the Orient, Japan, San Francisco, and do this grand tour (either First Class or Tourist) in exceptional comfort and style via Qantas Super Constellations. Ask your travel agent about this or other Qantas flights across the world to five continents.

AUSTRALIA'S OVERSEAS AIRLINE

QANTAS

delay the start of the Feather River plan. Right now, the five southern counties have 52 per cent of the State's people, but only 2 per cent of the water.

On the whole, leading Angelenos are optimistic about a continuing, unrestricted supply of water, enough to supply even the biggest city in the country. Within 20 years, they believe, there will be definite alternatives to sources of supply now within reach: Perhaps even conversion of seawater by atomic energy.

These people point out that "L.A." has absorbed the biggest migration in its history without skimping on water or power use, and they are confident that their present planning will enable them to maintain the same service.

Boom unlimited? Objective analysts, leaning over backward to find a ceiling for the Los Angeles boom, conclude that the major limiting factors could be water, traffic or smog.

They also mention more nebulous "ifs," such as where the people are going to come from, and how they are going to get along with each other in a city that could be 200 miles long.

Dr. Thompson, the Haynes Foundation researcher, points out that the big source of migration—people from the farms—is drying up. He says that before long big cities will be dependent for growth on taking people away from each other.

Again, he makes the point that the future size of Los Angeles is not a question of absorbing territory, but a question of the central city and its "ring" becoming "parts in an organic whole."

Long-range qualifications, however, do not faze Angelenos. They recognize that some people don't like to live in a playground atmosphere and write off Los Angeles with abusive epithets. But they are sure that the chance to get away from hidebound ways, to escape unpleasant living and working conditions will continue to attract far more people than it repels. Once those folks are here, they become devout Angelenos, too.

They change their clothes and their habits, reach out for all the things they wouldn't have thought about trying for "back East." Where else, one visitor asks, would you find a waitress and her working husband with four children, a Cadillac and a $6,000 trailer?

Encircled by mountains and sea, the Angelenos develop a cheerful sense of isolation from the rest of the country. They've convinced themselves that the grass really is greener in "L.A." They see no reason why it shouldn't stay that way.

Mayor Norris Poulson of Los Angeles outlines the city's achievements and problems in an interview starting on page 58.

"What happened to our lights, Daddy?"

"That's an easy one to answer, son. I had the same idea the first time it happened to me. Our headlights are the same. It's the road that makes it seem as if we have much less light.

"It works this way. We were driving on light-colored concrete. We could see a long way because the concrete *helped* our headlamps by *reflecting* the light. This dark-colored road absorbs most of the light—makes it more difficult to see what's ahead.

"Illuminating engineers—the experts on this subject—have measured this reflection with scientific instruments and found that concrete reflects about four times more light than dark pavements. That's why it's safer to drive on concrete at night—when most accidents occur. You see people, animals, curves and obstacles sooner. This gives you more time to slow down or stop in emergencies. *Remember, son, if you can't see you aren't safe!*

"Concrete roads are safer, too, because your tires grip and hold to its gritty, skid-resistant surface better, *especially in the rain.* I like to drive on concrete roads because it's much safer—not only for me, but also for our family, for our car and for the other fellow."

Because concrete is light-colored your headlights illuminate the road the maximum distance ahead.

Light from the same headlights is absorbed by a dark pavement surface. To be safe, you must see!

PORTLAND CEMENT ASSOCIATION
33 West Grand Avenue, Chicago 10, Illinois

A national organization to improve and extend the uses of portland cement and concrete... through scientific research and engineering field work

Interview with MAYOR OF LOS ANGELES

Norris Poulson

PROBLEMS OF FASTEST-GROWING CITY IN THE U.S.

Almost every time the Mayor of Los Angeles looks up from his desk, another statistic goes out the window.

The city and its satellites are growing so fast the census can't keep up with them.

Every day there are more people, more children, more cars.

Every day there are more problems—taxes, schools, freeways, even the weather.

Still the people keep on coming.

There is plenty of room for more. But can Los Angeles support them? Can it give them enough water, jobs, homes, all the services they want?

Mayor Norris Poulson says it can. In this interview with *U. S. News & World Report*, Mr. Poulson tells why he is optimistic about the future of his city.

At LOS ANGELES

Q Do you have any guesses, Mayor Poulson, about how big Los Angeles might be by the end of the century? Do you think it will catch Chicago or maybe New York in population?

A Well, I've been here for many years and I'll admit that in the past it's grown much faster than I ever anticipated or even visualized. I'm not an expert on this. I just know that it is growing all the time. I always think of it in terms of the troubles of the Mayor and city officials.

Eventually, because of necessity and because it is the only efficient manner in which this large area could be governed, this entire area will be designated as Los Angeles, and we'll have some type of government similar to the borough system, but yet avoid some of the troubles they have because of too much centralization of power. Then, with all that area, we will be in a position to be really threatening New York.

I think we need a great city on the West Coast as well as on the East Coast. With air travel becoming the No. 1 means of transportation, and also the handling of freight, why, there is no need for a great city in the central part of the United States. My friends in Chicago, however, may not agree with me there.

Q Do you think the smog publicity has kept people and industry away from this area?

A Some, but they're still coming, that's the best answer to that. You know, I'll have to admit that we're a little like Texas—we do a lot of talking, and we not only talk about our virtues but we sometimes tell our faults.

So far as smog is concerned, a lot of people would think that Los Angeles is the only city in the United States that has smog. But I know that the San Francisco Bay area was working very diligently up in the Legislature to have some smog legislation passed to control a problem it has. I spoke before a Senate committee last year in Washington on a so-called smog bill. There I heard representatives from virtually all of the large cities, and they could cry just as loud as I could and they had just as many cases of distress as we have. The only trouble is we have been talking about it publicly more than they have.

Q Do you think you can eventually control the smog problem?

A I don't think it will ever be eliminated completely because of our climatic conditions and what is called temperature inversion. The sky is most often as clear here as anywhere in the United States or anywhere in the world. And then there are other days when we have this smoky overcast.

Q Don't you have any people moving out of Los Angeles because of the smog?

A Maybe there are some moving out, but there are far more moving in.

Q Will the city continue to grow as distinct from Los Angeles County or the metropolitan area?

A I think the best way to answer that question is to look at the map of the Los Angeles metropolitan area. The city has plenty of space for growth as well as the county. We are increasing our population every year, as is the county. We have about 2,250,000 in the city and the rest of the county has 2,750,000, including all the cities that immediately adjoin Los Angeles like Burbank and Glendale and Pasadena. You usually can't tell the difference whether you're in Los Angeles or in one of these cities, except some change the style of numbering their streets. We surround many cities like San Fernando, so our problems are intermingled.

Q Do you expect some day to have a single city-county government like San Francisco has?

A I wouldn't advocate it entirely like San Francisco or New York or others because I believe, for example, that po-

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Water Supply, Smog, Highways, Parking . . . "Plenty of Room" For Growth . . . Coming: Borough Government Like New York's

lice power should be retained locally. There are many functions of city government that operate best if they don't operate on too big a scale. This avoids the corruption that may arise whenever you get too large an area.

Q A big problem in other cities is that the middle class moves from the central city to the suburbs. Does the fact that you are so intermingled with what might be called suburbs here eliminate that problem?

A Well, in Los Angeles our problems are completely different from those in the Eastern cities. I believe that the people think and operate entirely differently. We find that those of lower income might live out in the suburban areas and in some of the little towns near Los Angeles or out in the county area. They don't live entirely according to classes.

We have a section here known as Bunker Hill which we are in the process of making over by the community-redevelopment process—a large area right in the center of the city. Money involved will be around 40 million dollars, but we'll build probably 200 million dollars' worth of buildings and apartment houses for people who can then live right by their jobs, so they won't have that high transportation cost.

Q Is there plenty of room for expansion?

A Oh, yes. We have farms, orange and lemon groves and many fine estates right within the city limits. Of course, their owners may like to remain there, but progress is going on.

The Regional Planning Commission claims that we have increased population by 10.6 per cent since 1950, or 3 per cent above the special census we took in 1953. So I have suggested to the City Council that we have another federal census taken of Los Angeles. The reason is that there are other cities in California which are increasing in population and we have to keep our proper ratio in respect to these other cities so that we will get our fair share of the gasoline tax allotment which is based on the population. When they all start taking censuses, we have to, too.

Q The Commission's planning director said recently that there won't be much agriculture left in the Los Angeles area in another 10 years. Doesn't that mean a major readjustment in your economy?

A Yes, it certainly does, but you'll find that we have a great back-country here in southern California and in the San Joaquin and Imperial valleys. We're building these superhighways through California and also the federal highway through Nevada, and we can bring the produce from Idaho down here with a day and a half in trucks. So you see we don't have to worry about it. As we get more people we're naturally going to have to go elsewhere for our food. We were exporting citrus fruit.

Q And now you're importing?

A Adjacent to us are Orange County and Riverside County. So far as the citrus fruits and dairy products are concerned, there's plenty of room for handling them.

Q Governor Knight has signed a bill permitting zoning of agricultural areas so they can't be used for industry or subdivisions. Do you favor that?

A I think it is pretty hard to stop progress. Right here in the city of Los Angeles we are having that problem now. You'll find in the San Fernando Valley folks with nice estates. They would like to have any further development of that

(Continued on next page)

—Nolan Patterson from Black Star

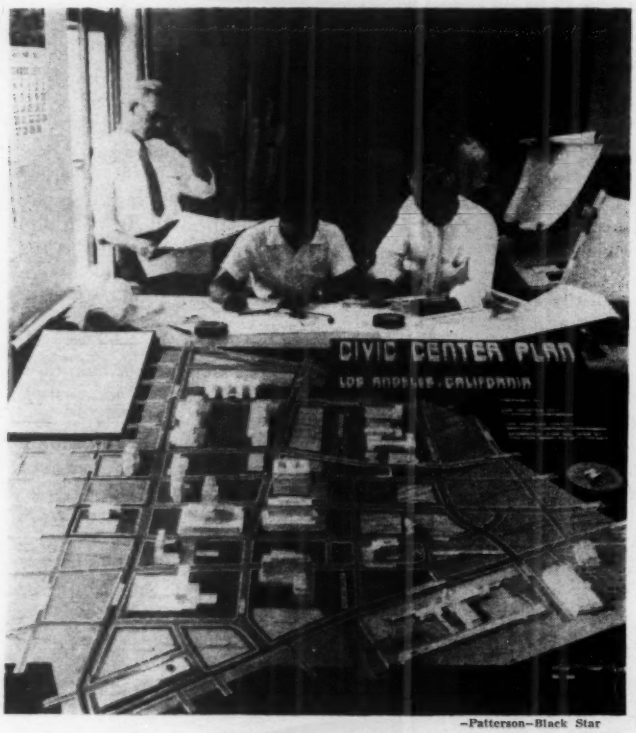
MAYOR POULSON: "In Los Angeles our problems are completely different from those in the Eastern cities"

. . . "We are planning on bringing water about 500 miles"

valley restricted. But we have to have industry up there. That's one of our problems. It's 44 miles from the harbor up to the other end of the valley. People shouldn't drive distances like that to their jobs.

Q Does the tremendous size of Los Angeles, its ability to spread out, postpone problems that are made apparent in crowded Eastern cities?

A We have had no limitations for many, many years so far as population is concerned. That's one of the things that I remember when we had this newspaper controversy with Philadelphia about which was the bigger city. I was back there after we had taken our 1953 census and I was told, off the record, that they were handicapped because of



—Patterson—Black Star

CIVIC CENTER FOR LOS ANGELES
"Nothing is going to stop our growth"

their boundary lines—that people move out into other counties. Well, we can't say that here. There is plenty of room within the city limits.

Q Are job opportunities opening up as fast as new people come to this area?

A The records will show that we have had less unemployment than any other large city of the United States. And, you know, people have a certain freedom here that they don't have in the East, and I've lived in the East—I was in Congress for five terms and have an idea of some of the problems of the East.

We have so many little businesses here that before long are big businesses. We don't have the old-line class distinctions. Oh, we have some people who probably are a little snobbish, but rather than envy them we sort of pity them. That is the thinking out here. Of course, that's the West for you.

People believe that once they get started they can get to the top just like some of those who are there now. You go to other sections of the country and you'll find that there are traditions which bind the people in their ambitions. But out here there are no such restrictions. You know, this was nothing but a desert and our citizens reclaimed the land by bringing in water. We go 300 miles to the High Sierras to bring the water down from Owens Valley. During the depression, we floated a bond issue for 220 million dollars to build the Parker Dam and Metropolitan Aqueduct to bring water from the Colorado River for all of southern California.

Now we are planning ahead on bringing water from the northern part of the State, a distance of about 500 miles. When I was in Congress I was on the Interior and Insular Affairs Committee and before I resigned I was chairman of the Subcommittee on Irrigation. From that experience I know that all great cities have to plan at least for 75 or 100 years in the future. We think that we'll have enough water, but we'll have to keep fighting and planning for it.

Q Won't you have trouble because of the Attorney General's legal opinion that California's counties of origin have a prior right to water?

A Well, the money happens to be in southern California. The northerners want to develop their part of the State and they can't do it without the money and the votes from southern California. I'm positive that there'll be a meeting of the minds and a satisfactory solution to this problem.

Q But it will be another 20 years before the first water from northern California can be delivered to the south. Can you keep growing for that long without a new water source?

A Oh, yes, provided no one tries to monopolize our present sources.

Q Is there enough water in the Colorado River to give Los Angeles its share? Mexico already is using more than its share—

A That's part of this overgenerous unrealistic foreign policy. They traded 500,000 acre-feet of our water from the Colorado River, then they took it back in Texas. California paid the price for it and Texas got it.

TRANSIT BUSINESS FALLING—

Q On another problem, is transit—streetcars, buses—meeting the public's requirements for mass transportation?

A That responsibility is strictly up to the transportation companies. If they don't render better service, they're going to find that business will continue to fall off as it is right now.

But there will be limitations, too, on the freeways and on street traffic. There are only a very few arteries out of the San Fernando Valley, for example, into the city proper—that's one reason why we have to zone certain areas along the railroad tracks in the Valley for industrial development. We're meeting a lot of opposition from owners of estates out there. But we have to provide accessible employment for thousands of people who want to buy homes out there.

Q But if everybody owns one or "one and a half" cars, is mass transportation really necessary?

(Continued on page 62)

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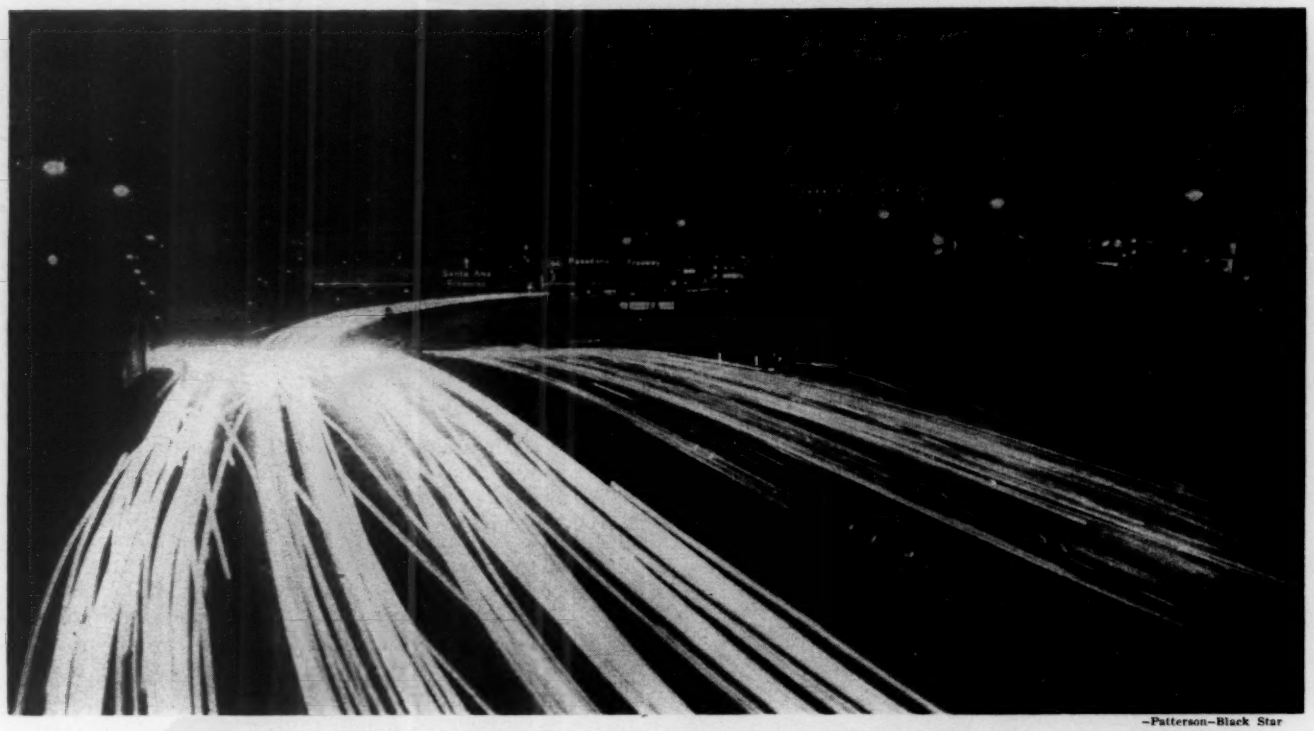


—Patterson—Black Star

FREEWAY AT NIGHT: "People seem to want to drive all the way. So downtown parking is one of the big problems"

A Yes, some form of mass transportation is necessary for this reason: It is a great economic loss when one person in a car drives any distance from his home to work and back every day. Whenever there is a little slack in business, and that person doesn't get any overtime—or he might have a few days off—his pay, of course, drops off. But he'll still have a big expense for transportation, so he'll have to economize on some of the things that are necessary for the family. That's where the community loses, because eventually this can lead to problems of juvenile delinquency and all of the social problems that develop because the head of the family can't take care of all the essential requirements of the family.

We have been talking about people driving their cars to the edge of the downtown area to peripheral parking areas and then take a shuttle service to the center of the city. That sounds very practical, but when people get into their automobiles they seem to want to drive all the way. So downtown parking is one of the big problems.

In suburban areas we're having parking districts set up which are self-supporting. They are established on a community co-operative basis. However, downtown we find that we'll either have to condemn property and have public parking places, or else private enterprise must go ahead and "condemn" some of these buildings which are not suitable for the modern concept of operation and turn them over into some type of parking.

Q Some of the freeways are already congested at peak commuting times. Could the traffic get so bad that people would voluntarily go back to transit if it is available?

A Well, from the government's standpoint we can't take care of all the needs of the people. We find that they will build up to a certain point, and then they begin to think and act for themselves. That's one of the great things about our country, about our way of life in America. Government can't do everything. And if people start congesting the highways, then some smart ones will begin to think of another way.

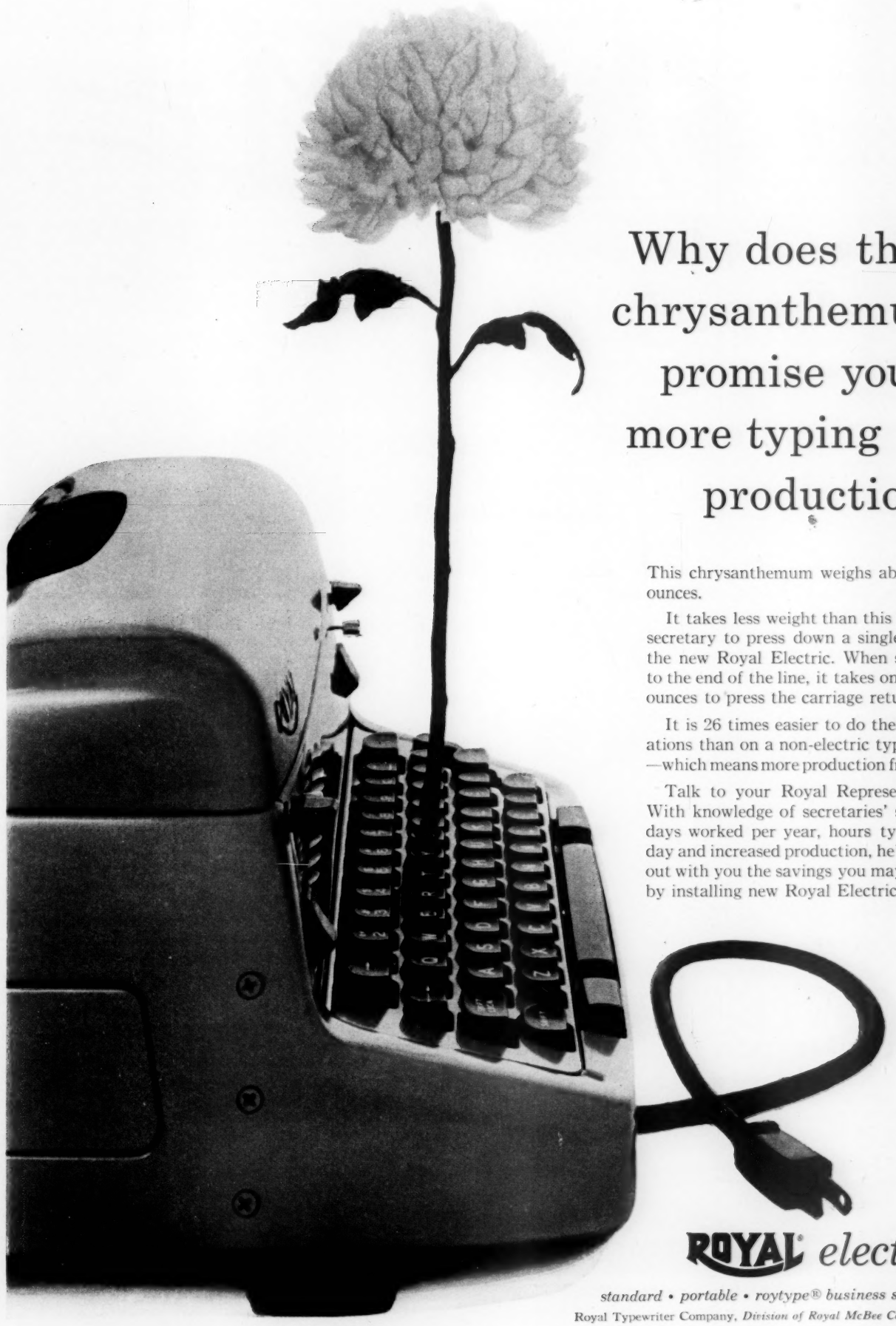
Q There's some talk about dispersing the aircraft industry. Wouldn't that put a ceiling on the city's expansion?

A First of all, we're going to fight to the last against this dispersal idea because we have the know-how, the plants and the proper climatic conditions. And these plants —Lockheed and Douglas, for instance—are, in many cases, already widely separated. You'll find ranges of hills higher than many of the "mountains," as they call them back East, separating many of our aircraft plants. Right here in the city of Los Angeles we have a hill that is 5,000 feet high. So as far as fall-out and protection are concerned, you see how asinine the argument is that we are so vulnerable. It is almost as far from Los Angeles to Fresno, where some of our aircraft industry is located, as it is from Pittsburgh to Washington.

Here's one thing we have to fight against in California: We're isolated from the rest of the United States. We have been growing so much more rapidly than any of the other areas. I served in the Congress when we had only 23 members in the House. Now we have 30 members.

Those States which are losing members are always ready to do anything against California. We just naturally have built up that type of opposition, and they will all support a dispersal program if they can get away with it. They're talking about an atomic war; in the same breath they'll tell you that we have to be prepared for it, that we won't have any time to prepare afterwards. Well, why handicap our defense program, why throw away these millions of dollars we and the Government have invested in all the

(Continued on page 65)



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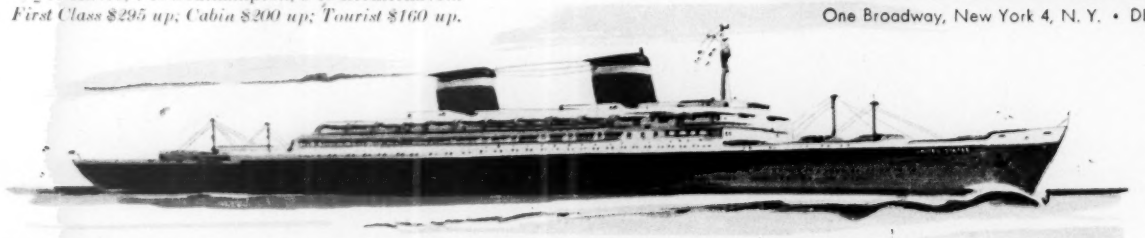

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. . . "The 'Okies' have become Republicans and drive Cadillacs"

factories here in California and move them somewhere else? It doesn't make sense.

So far as our economy is concerned, we're not depending entirely on aircraft, because we know eventually that this "cold war" will end, and that the Government will not be buying as much aircraft as it has in the past. We already have a great diversification of industry. That is the most encouraging sign for our economic future.

Q Do you think the local population can keep industry busy or do you look for a foreign market, like the Far East which is not now open, to offset any decline in defense spending?

A I certainly do. The Far East market will open up one of these days, I am positive.

SCHOOL SEGREGATION? "NO"—

Q Do you think that you have a problem here in the number of Mexicans? Is there any problem in the schools or housing?

A Well, we don't have any segregation in the schools. We don't have any segregation in governmental activities except in the fire department, and that is ending positively.

Q Do you have any race riots here?

A Absolutely not.

Q In New York the very large influx of Puerto Ricans is causing quite a serious language problem—

A There are always those who speak their own native tongues but, so far as the schools are concerned, I've never heard of that problem here.

Q They learn to speak English before they are in the schools?

A Before they get there.

Q Do you have a juvenile-delinquency problem?

A Yes, but our juvenile-delinquency problem is lessening. It's the adult problem of crime that's really bothering us.

Q Why is that?

A Well, it's the trend throughout the country. But we think we're beginning to reverse the upward trend here.

Q Los Angeles had quite a lot of organized crime in the past. It was next to Nevada with its legalized gambling—

A Los Angeles city is the cleanest of any of the large cities, and I say this without any fear of contradiction. We don't have any organized prostitution, gambling and the like. What happens outside the city limits we have no jurisdiction over, but positively we have the best and most efficient police department in the entire United States.

There's positively no organized gambling or organized prostitution or organized crime of any kind. That was the reason for the recent hearings I conducted on the rubbish-collection situation: to avoid any opportunity for any type of organized gangsterism which have accompanied similar operations in other cities to get a foothold here.

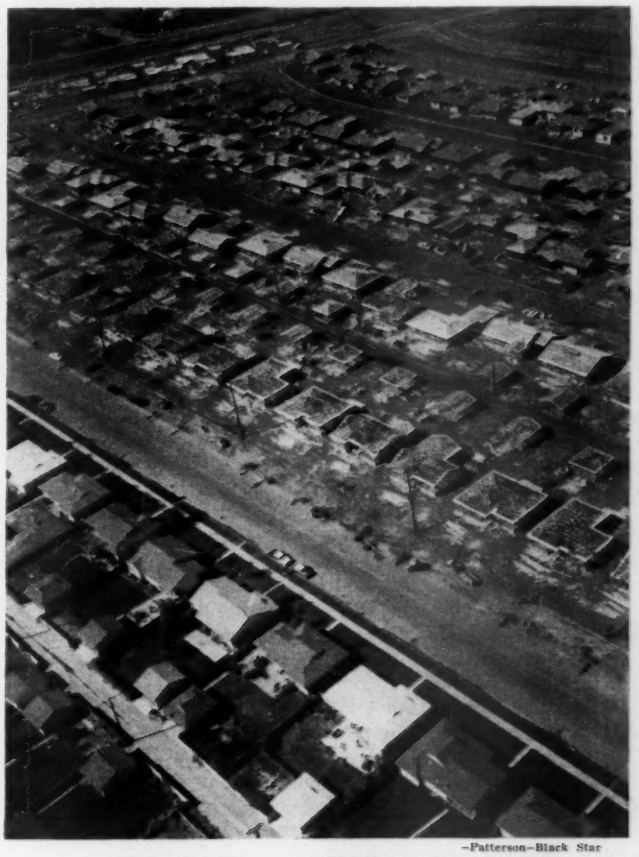
Q That was brought on by the smog situation, was it not?

A Yes. That developed from the county's order that we abandon back-yard incinerators, but through the hearings that I conducted as Mayor we established that we would definitely be jumping from the frying pan into the fire because we would create an opportunity for a complete monopoly by a certain local of a labor group working in collusion with the rubbish collectors. The collectors' association set up the rules and handled the finances, and the head of this particular union enforced the association's edicts. They were setting up a complete monopoly dividing up the city and deciding who would collect where, and prices gradually were going up. We went in and busted that up.

That ban by the county on incinerators was tied to attempts to eliminate smog. But trash burning is only about 5 per cent of the smog cause, according to the experts. The biggest contributor, naturally, is the automobile. What a powerful lobby they have, with 2.3 million cars here in Los Angeles County.

Q A lot of them burning oil?

A Right straight from the motor.



—Patterson–Black Star

NEW HOMES, SAN FERNANDO VALLEY

"Thousands of people want to buy homes out there"

Q People in the East want to know what happened to the "Okies" who migrated to California during the depression. Have they become prosperous citizens?

A They've become Republicans and drive Cadillacs.

Q Have they been absorbed?

A Yes, completely. In fact, you can't even tell anyone from Iowa any more.

Q Do migrants become Californians in a hurry?

A Oh, yes. You're out here only about a year before you

(Continued on next page)

. . . "We're not supporting these so-called crackpot ideas"

find out you're not only a Californian but if some one criticizes the area you're on the defensive right away. It's a contagious thing. Our people are the greatest asset that we have. They've gone out and have done things, they built the harbor out of mud flats; they brought the water in. We do the impossible—in fact, we're likely to do most anything.

Q Didn't you annex a 20-mile strip a quarter of a mile wide to get a port?

A Yes, we have this little corridor, that's true. We went down there and we have the largest harbor on the Pacific Coast. And it is strictly man-made.

Q Was there any opposition in San Pedro to the annexation of the harbor?

A Yes, there was. But they knew they needed the assistance of the business interests of the central part of the city and, of course, it was the business interests which really built the harbor to start with.

Q Hasn't San Pedro tried to secede a couple of times since?

A Merely political moves, nothing serious. It's the same way that the East feels about California. The rest of the United States would like to secede from California if they could, but they know that they can depend on us for many things, including some of the leaders of this country, so they'll stay in.

Q Los Angeles and southern California attract a lot of old people because of the climate and liberal welfare—

A Oh, yes, but we are a young people's area now. The majority of our people are what they call young, not even in my class.

Q Didn't a lot of them see California during World War II and the Korean war?

A The younger people, yes. And leaders in business, university students, professional people. They were here during these wars. Afterwards, as soon as they got back home and changed to civvies they got into a jalopy and headed for California, and they picked their girls up on the way out here and got married. And now they're living here.

Q They're still happy about the change?

A Yes. They can say, "Well, I'm going down to the beach tomorrow"—we've got ten miles of beaches—"next week I think I'll go up on the desert, it's only two hours away, and see the desert flowers."

Last April, I went out on the desert. On the way back, I drove through the mountains to where they were skiing. This was up about 6,500 feet, but that wasn't more than a 2 or 2½-hour drive from my home here in the center of the City of Los Angeles. Those things have a great attraction.

Q What about the pensioneers, such as the "ham-and-eggers" and the Townsendites?

A Oh, outside of the professional leaders of that group who make a lot of money out of it, and they generally have some proposition up before the State Legislature, they amount to very little and their political power has dropped down to where they are just a minus quantity.

"NO DEBT LIMIT" CITY—

Q You don't hear much about them now?

A No, you don't. That's the strange thing. We have become a very conservative area. We're not supporting these so-called crackpot ideas which were in style during the depression. The people here during the depression were individualists, they were tired sitting around waiting for something to happen and they went out and tried to do something themselves. But now we're a very conservative area.

The finest example of that is a statement of the bonding capacity of the City of Los Angeles. We only have outstanding bonds of 205 million dollars, and our additional capacity, according to the figures established by the bank investment houses in New York, is 235 million dollars. Under the New York laws regulating savings bank investment, we're called a "no debt limit" city. That's something we're proud of. We haven't reached our capacity by 45 per cent.

Q Do you operate in the black?

A Oh, yes, we have to operate in the black.

Q What if there is a national depression or recession? With Los Angeles dependent on people and business coming in from the outside, would that mean you would have a worse depression here?

A No, I think we're going to be better off. A great redeeming factor in this area is the fact that we are not in a congested area where everybody is living in an apartment house. We can all get along some way. Most all our people have little spots where they could raise the little necessary in a garden, which can make a great difference. And we've got so many different little businesses.

During the last depression the little business was the one that kept operating. It was the big concern that closed down and caused the biggest amount of trouble. And with our natural resources around here, I feel that we are in a much better position than any of the other cities. I would naturally rather be in a city like Los Angeles or San Francisco, or some area near a rural area, than I would in one of the large cities of the East.

"WE STILL HAVE CONFIDENCE"—

Q Someone once said that people in the East are doubters but in the West they're believers—

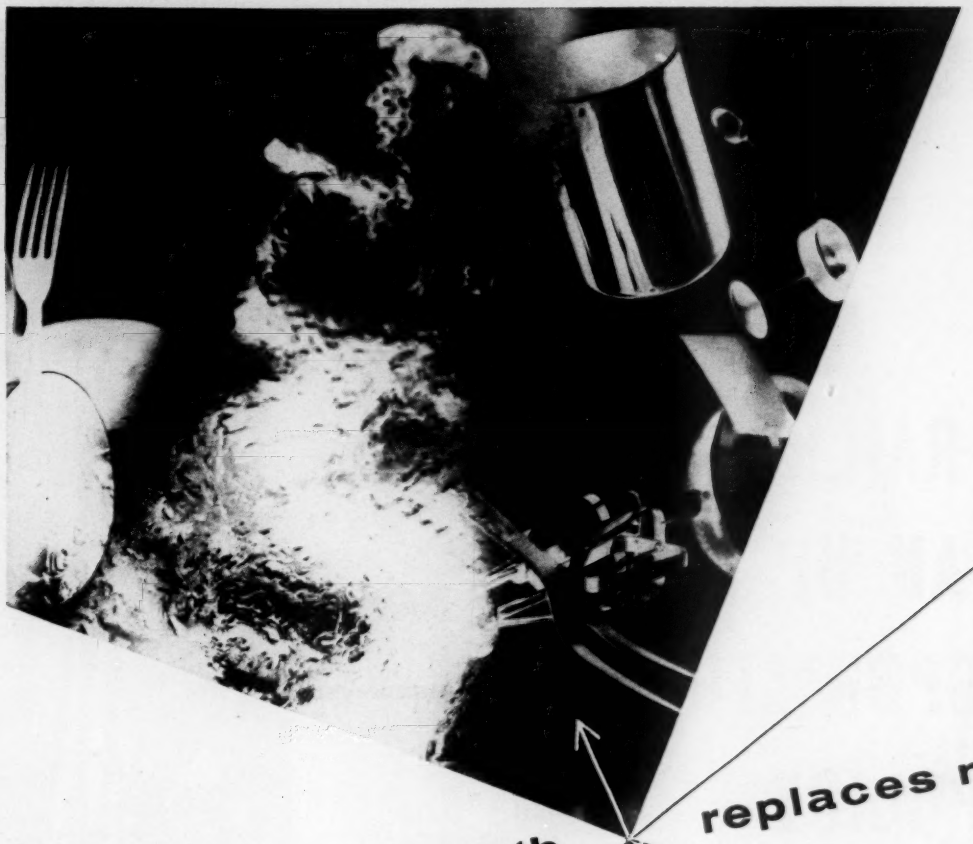
A That is very well stated. We believe, and we have confidence. Los Angeles certainly was built on confidence, and we still have it. Just when you get to wondering about whether we're growing too fast, you'll pick up the paper and read where another large firm is making a big investment here.

The rest of the country has confidence in us. The so-called financial brains are coming out here and making huge investments, and certainly they have analyzed our position thoroughly before doing this. And then the people themselves have confidence. So I'm not worried.

Q Is the expansion of Los Angeles healthy, and does it bring growing pains?

A Well, naturally any growing city has many problems resulting from that growth. But I think that nothing is going to stop our growth because every citizen out here is a booster and a real estate salesman of some kind. They all feel that their great stake in the future is having something, owning something here in Los Angeles, and naturally the fact that everybody—2 million people, or at least a million of them—is working that way and bringing relatives and friends from throughout the country keeps the trend going.

Our problem is to keep up with the trend. It's like a fast-growing child always growing out of its clothes. We build 100 miles of streets a year; that's just one phase of the problems we have.



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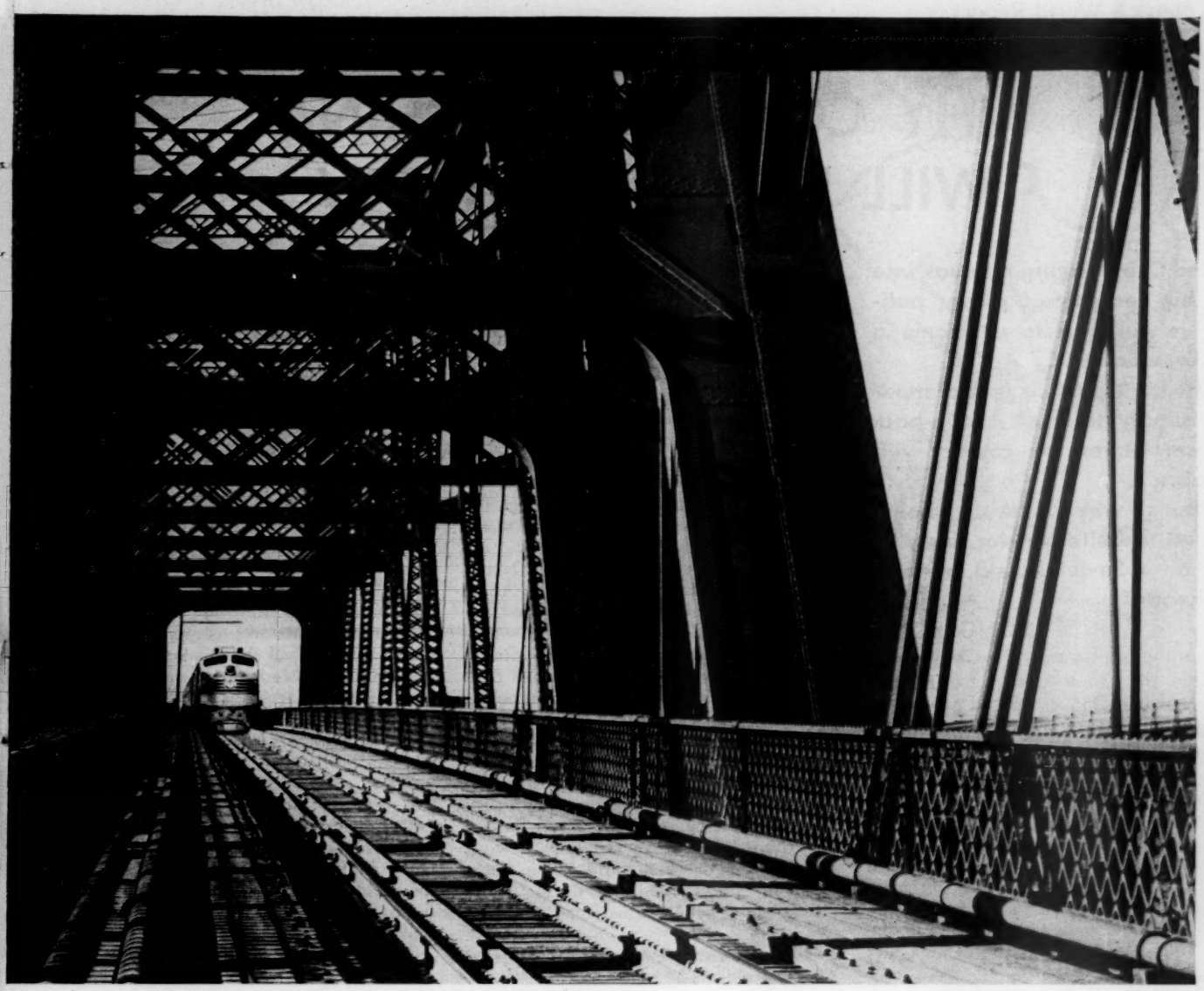
Yet here is an industry which earns a return on investment of only about 3½ per cent – among the very lowest of all industries; an industry so restricted by the application of laws governing transportation that frequently it is not permitted to price its services on a competitive basis.

How can such a situation have arisen in a nation devoted to the classic concepts of free enterprise and equal opportunity?

An important part of the answer is clearly indicated by the recent report of the Presidential Committee on Transport Policy and Organization created last year by President Eisenhower. This Committee consisted of five members of the President's Cabinet and two other high government officials. It was charged with responsibility for making "a comprehensive review of over-all federal transportation policies and problems."

The report of the Committee, released by the White House in April, opens with this sentence:

> "Within the short span of one generation, this country has witnessed a transportation revolution.
>
> "During this same period," the report continues, "government has failed to keep pace with this change . . . regulation has continued to be based on the historic assumption that transportation is monopolistic despite the . . . growth of pervasive competition. The disloca-



tions which have emerged from this intensified competition, on the one hand, and the restraining effects of public regulation on the other, have borne heavily on the common-carrier segment of the transportation industry . . .

"In many respects, government policy at present prevents, or severely limits, the realization of the most economical use of our transportation plant."

To the end that all forms of transportation should be developed to their greatest economic usefulness, the Cabinet Committee recommended, among other things, that:

"Common carriers . . . be permitted greater freedom, short of discriminatory practices, to utilize their economic capabilities in the competitive pricing of their service . . ."

☆

Legislation to give effect to Committee recommendations has been introduced in Congress.

Passage of this legislation would not give railroads any rights that other forms of transportation do not already have or would not receive. The legislation recognizes that each of the competing forms of transportation has advantages in handling different kinds of shipments, moving between different points and over different distances. It proposes that each type of carrier be given the freest opportunity to do the job it can do best, at the lowest reasonable cost.

That's the way toward the best and most economical service, to the benefit of businessmen and taxpayers — and of the consuming public which, in the end, pays all transportation costs.

☆

For full information on this vital subject write for the booklet, "WHY NOT LET COMPETITION WORK?"

Association of American Railroads
924 Transportation Building
Washington 6, D. C.

WHY COMMUNIST CHINA WILL NOT FIGHT NOW

Red China, trying to break into the big leagues of power politics, is hurrying to overcome a major weakness.

The big trouble is lack of modern supply lines. A coolie-back system leaves the country vulnerable.

That's why work is being rushed to build interior lines, tie China to Soviet Russia by new railheads.

HONG KONG

One big reason why the Communist leaders of China today are talking peace, soft-pedaling threats of war, is simply this: Red China is woefully lacking in the transport that is basic in any full-scale war against a power such as the U. S.

If you look at the map on page 71, you see why this is so. On this map is shown the entire rail network of modern China. There is no nation-wide system of modern highways. In case of war, the potential battle areas would be Korea, the area opposite Formosa, Indo-China and the Laos-Burma border. Of these four areas, only North Korea is close to China's industrial and military bases and connected with them by adequate lines of supply.

In Korea, Red China fought a localized war by using trucks and human pack animals to move supplies. Rail lines above the Yalu River were off bounds to U. S. bombers. In another war, however, the Chinese Reds would be forced to fight far from their supply sources, and without assurance against attack on their supply lines.

All of China's tanks, trucks, heavy weapons, electronic gear, must come from Russian railheads, 2,000 miles or more from either the Formosa Strait or the Indo-China border. Single-line railroads that wind hundreds of miles close to the sea, across rivers and wide plains—all subject to attack—would make it difficult, if not impossible, to supply a distant front in East or South China.

Right now, this is the problem of supply that would face Red China in case of war:

Opposite Formosa, the China mainland is a forbidding panorama of jagged mountains and deeply slashed gorges. New highways link jet airfields with supply bases in the Shanghai-Nanking-Hangchow area. Only recently the Communists announced that they intend to build a railway across Fukien Province to Amoy, a natural springboard for invasion of Formosa. But it may take years to complete this vital supply line.

Red China and Communist North Vietnam have fair supply links, by Asian standards. The highway which carried the heavy guns and supplies the Viet Minh needed to defeat the French at Dienbienphu is still operating. A railway now connects Hanoi with Red China's main north-south line. An old railway linking Hanoi with Kunming in Southwest China is being rebuilt. A spur line to Communist-held areas in Laos is being constructed.

North Vietnam, however, is nearly 2,000 miles from Red industrial bases—and there is no direct rail link between Kunming and Manchuria. The same problem is found on the Burma front, still served by the Burma Road of World War II.

Major strategic weakness of Red China is this: The country's own industrial complex, and its most important Russian railheads, are in Manchuria. There, goods must be hauled over railways which, in general, are within striking distance of either U. S. carrier-borne or land-based aircraft. And Manchuria is connected with the rest of China by only two rail lines—one paralleling the coast, the other a bare 125 miles inland.

Proof that the Communists recognize their strategic weakness and intend to do something about it is found in blueprints of current and planned railway construction.

Until a few months ago, all Russian rail-borne goods funneled through the Manchurian network, comprising more than a third of all Red China's trackage and feeding Manchuria's coal mines, steel mills and arsenals.

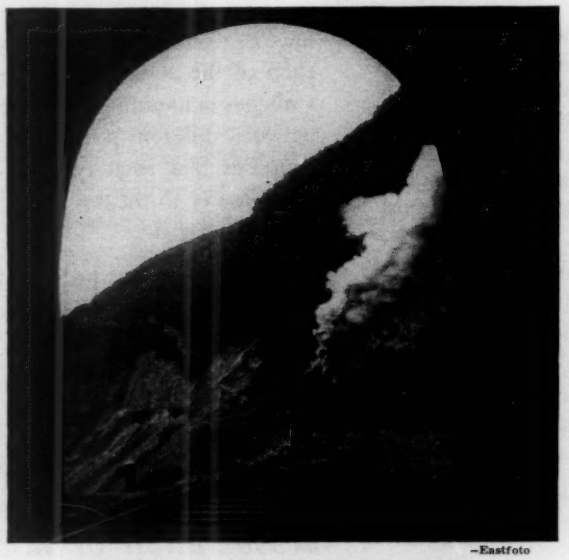
Now an inland railhead, less vulnerable to U. S. bombers, is operating on the Russian border. The new line runs from Tsining, west of Peiping, to Soviet-controlled Outer Mongolia.

Of possibly greater importance in the long run is the Sinkiang railway, now being built along the old Silk Route of medieval times, for about 1,440 miles northwestward across arid Sinkiang and into Russian Kazakhstan.

The Sinkiang line, once completed, will enable the Communists to pour loyal Chinese immigrants into Sinkiang by the hundreds of thousands, assuring Peiping control of that troublesome province. And the new line will give Red China easy access to big deposits of petroleum, copper, gold, tungsten and coal. In time, the Reds hope to make Northwest China an industrial base second only to Manchuria.

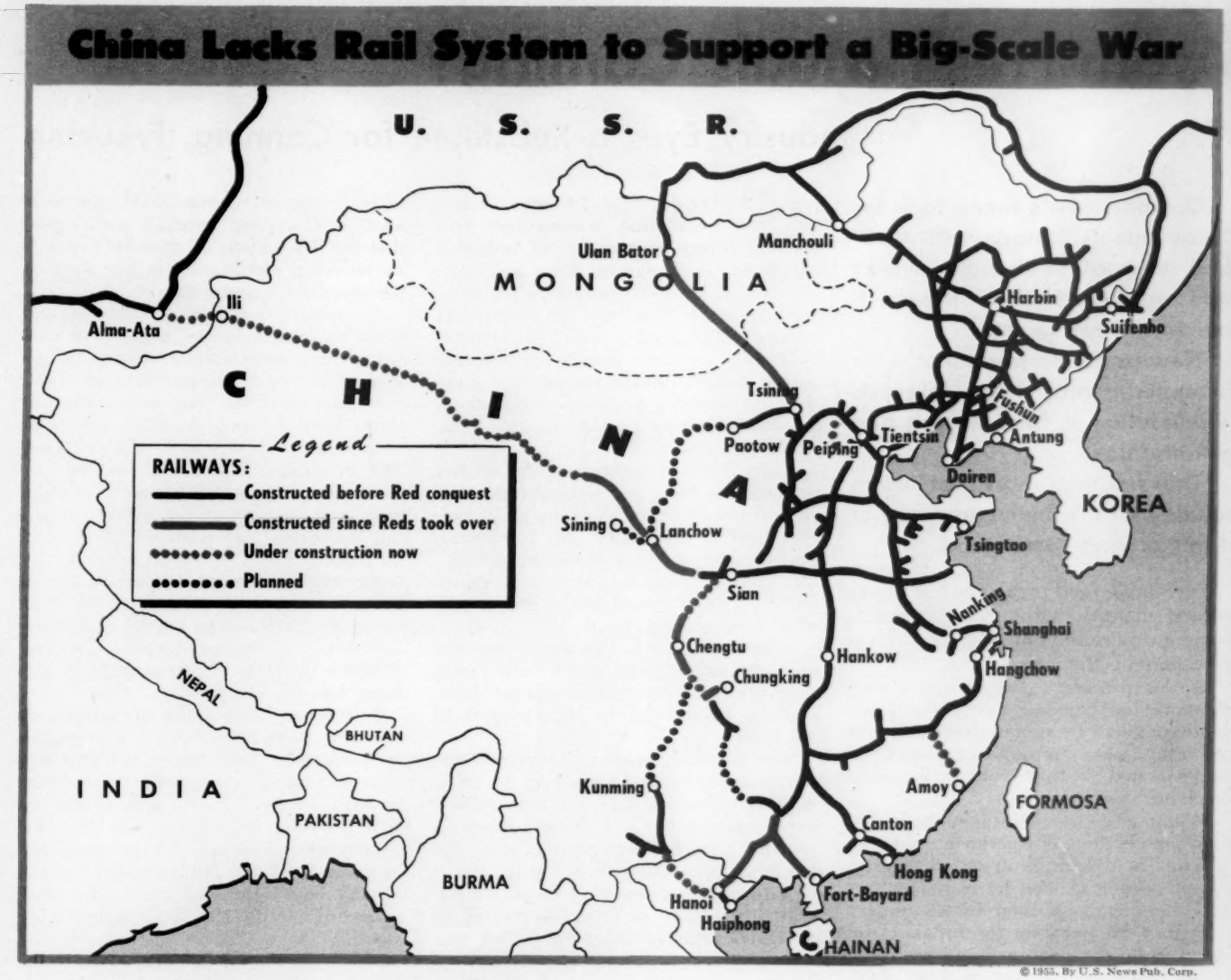
A connecting line southward is being built to link up the Sinkiang road with Chungking, the World War II capital of Chiang Kai-shek and the only industrial city in Western China. Surveys are being made to extend that connection farther south to Kunming and lines to Indo-China and the Laos-Burma border.

Communists are also busy in the Gulf of Tonkin area, adjoining Indo-China. They have already completed a branch from the main north-south line to the deep-water port of Chankiang, the central part of which



—Eastfoto

NARROW TUNNEL NEAR CHIENMEN
Single-line tracks wind hundreds of miles



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once was known as Fort-Bayard, on the Luichow Peninsula. Eventually the long rail lines from Sinkiang and Tsining will meet at Hanoi. This great supply line, extending all the way to Moscow, will enable the Reds to make the Gulf of Tonkin their principal naval base in the South Pacific.

The Communists make no attempt to hide the military fervor injected into their railway construction. When the decision to build the 260-mile line into Fukien Province was announced, Red China's Defense Minister issued orders to the Military Railway Construction Corps "to march forward."

Despite Communist boasts, much of the construction has been that of repairing railroads they destroyed in fighting the Japanese and the Nationalists. Their target for new construction was 1,250 miles a year. But, in 1954, their best year, only 440 miles of new railway was added.

Bogging down of the planned expansion is because of China's industrial weakness and backwardness. Enough rails to meet the needs of new construction simply are not being produced. Railroad laborers are just now getting new ventilation machines and pumps to cut deep mountain tunnels without suffering an appalling loss of lives.

Communists frankly admit that they need more rolling stock. China has seven plants capable of building rolling stock, but all seven are being devoted entirely to repairing and overhauling equipment, much of it obsolete.

In an effort to bypass this difficulty, the Reds launched a "full-carload movement," which meant putting more cargo into one car, hauling more cars in one train, and running the trains faster. Inevitably, equipment began breaking down and the accident rate soared.

The Communists, instead of admitting their blunder, blamed the breakdowns on "counterrevolutionaries." They established special railway courts to try workers on charges of "sabotage, corruption, theft, negative laziness, duty negligence and responsibility dodging." Chief targets were old staff workers inherited from the Nationalists. Sentences ranged from seven years to death.

This terror is not just a device of the Communists to find scapegoats for their own failures. What they are really trying to do is to frighten workers into wholehearted "co-operation" in building and running railroads—make an example of a few to warn the many.

One way or another, Red China's rulers are out to get themselves an efficient railroad network that can supply their armies in case of all-out war. It is their weakness in transport, as much as anything else, that is forcing them right now to talk peace and avoid any aggression that might lead to full-scale war with America.

Atom-Fresh Meals Coming?

Industry Eyes a Substitute for Canning, Freezing

On tomorrow's menu look for "atom meals," made with meat and vegetables bought weeks ago and kept fresh on the shelf, not in the refrigerator.

New radiation treatment, now in experimental stage, forecasts a revolution in food buying and preservation.

Thus far, tests show that "atom meals" retain their vitamins but don't always taste good.

Perishable food preserved for weeks—even months—without refrigeration is the promise of another peaceful application of the atom.

In this process, called radiation sterilization, the bacteria that make foods spoil are killed by radioactive rays emitted from a chunk of radioactive material or generated by high-voltage electrical machines.

Within a few years this new method of food preservation, if experimenters' hopes pan out, is to bring profound changes in the processing of food by manufacturers and the buying of food by consumers.

It may be possible, for instance, for meats to be cut, packaged and preserved by radiation right in the packing plant. The preserved meats could then be shipped to supermarkets for customers to buy off the shelf, without refrigeration. Fresh vegetables could be shipped long distances without refrigeration. It may even be possible to buy fresh milk in cans off nonrefrigerated shelves.

Before the day such revolutionary shopping arrives, however, there are problems to be overcome. As shown in the chart on this page, only a few of the common foods have shown good results in initial research. In a number of foods, radiation has caused bad flavors and odors and also color changes.

Hamburger, given a large-enough dose of radiation to kill completely the food-spoiling bacteria, doesn't smell or taste the same. In the words of one scientist: "It smells like a dog when it comes in out of the rain. And it tastes about like it smells." Milk develops an odor and tastes like garlic.

Licking the problems. Ways of overcoming these problems, however, are being developed. For instance, scientists have found that packing beef in a vacuum before exposing it to radiation cuts down on changes in flavor and odor. Freezing it before radiation helps, too.

Milk, as of now, has the researchers stymied. "We need a lead," says Ralph G. H. Siu, one of the Army's top scientists on the project. "But if we can find some chemical inhibitor to prevent the changes in odor and flavor during radiation, milk would be a cinch."

Light doses of radiation often do not produce the flavor and taste changes that are brought about by heavy doses. Though the lighter doses do not completely sterilize, they have a pasteurizing effect that makes it possible to hold foods on refrigerator shelves much longer than is possible in their raw state.

A mild radiation treatment, say the research men, will extend the "refrigerator shelf life" of tomatoes, hamburger, ham, scallops, salami and sausage by five to 10 times.

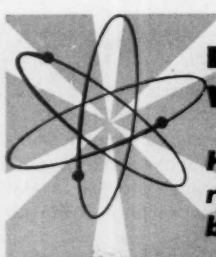
This combination of mild radiation and refrigeration, in the opinion of Mr. Siu, is likely to be one of the first commercial applications of the new process. Then, as research unlocks other secrets, more extensive applications will be made.

Vitamins retained. Indications are that this method of food preservation is not as destructive to vitamins and proteins as some conventional methods. Swift & Company research men report that the destruction of vitamins in meats by radiation sterilization is less than by the standard canning process.

To determine the effects of irradiated foods on human beings, a group of nine volunteers, conscientious objectors belonging to the Mennonite Church, have just completed the first in a series of tests. They suffered no toxic effects or nutritional problems from a three-week diet in which 35 per cent of the calories came from irradiated foods. Future tests will be of longer duration and the proportion of irradiated foods will be higher.

At present, research in radiation sterilization of foods is directed by military scientists and financed by the U. S. Government. The obvious objective is to simplify the problem of getting food to far-flung bases.

Just when commercial application of the new process will come is a matter for conjecture. Estimates in a recent survey among food-company executives varied from five to 20 years. All the executives, however, were certain that their companies would one day be using the process. Scientists now working on the project share the view that this new peaceful use for the atom appears assured.



Preserving Foods With Atomic Rays—WHAT TESTS HAVE SHOWN

Here is how common foods have responded, in tests, to preservation by atomic radiation:

GOOD RESULTS	FAIR RESULTS	POOR RESULTS
Bacon	Beefsteak	Milk
Pork	Ham	Cheese
Chicken	Hamburger	Frankfurters
Beef liver	Lamb chops	Bananas
Asparagus	Bread	Lettuce
Green beans	Corn	Oranges
Carrots	Peas	Tomato juice

Source: Quartermaster General's Office, U.S. Army

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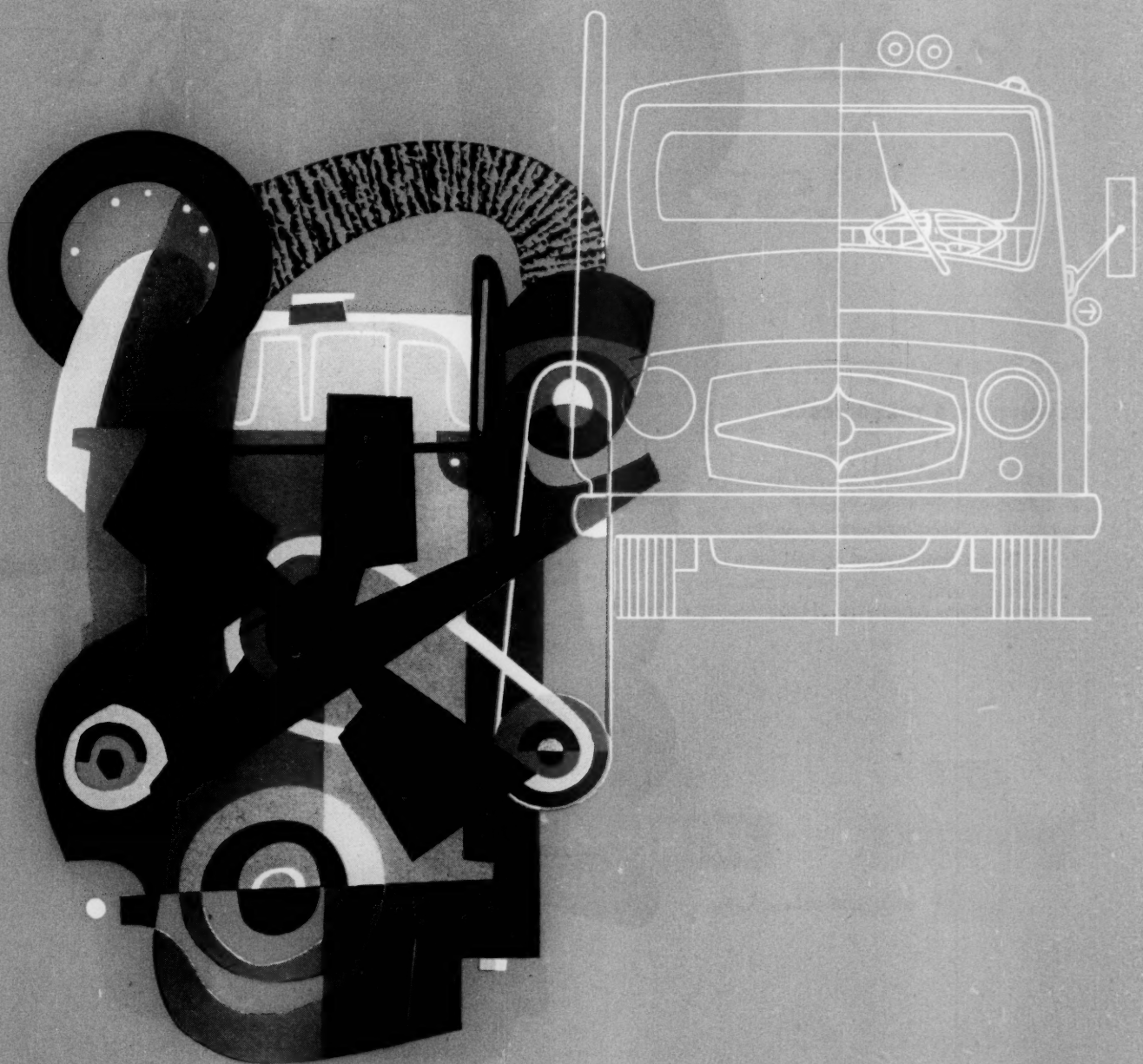
new



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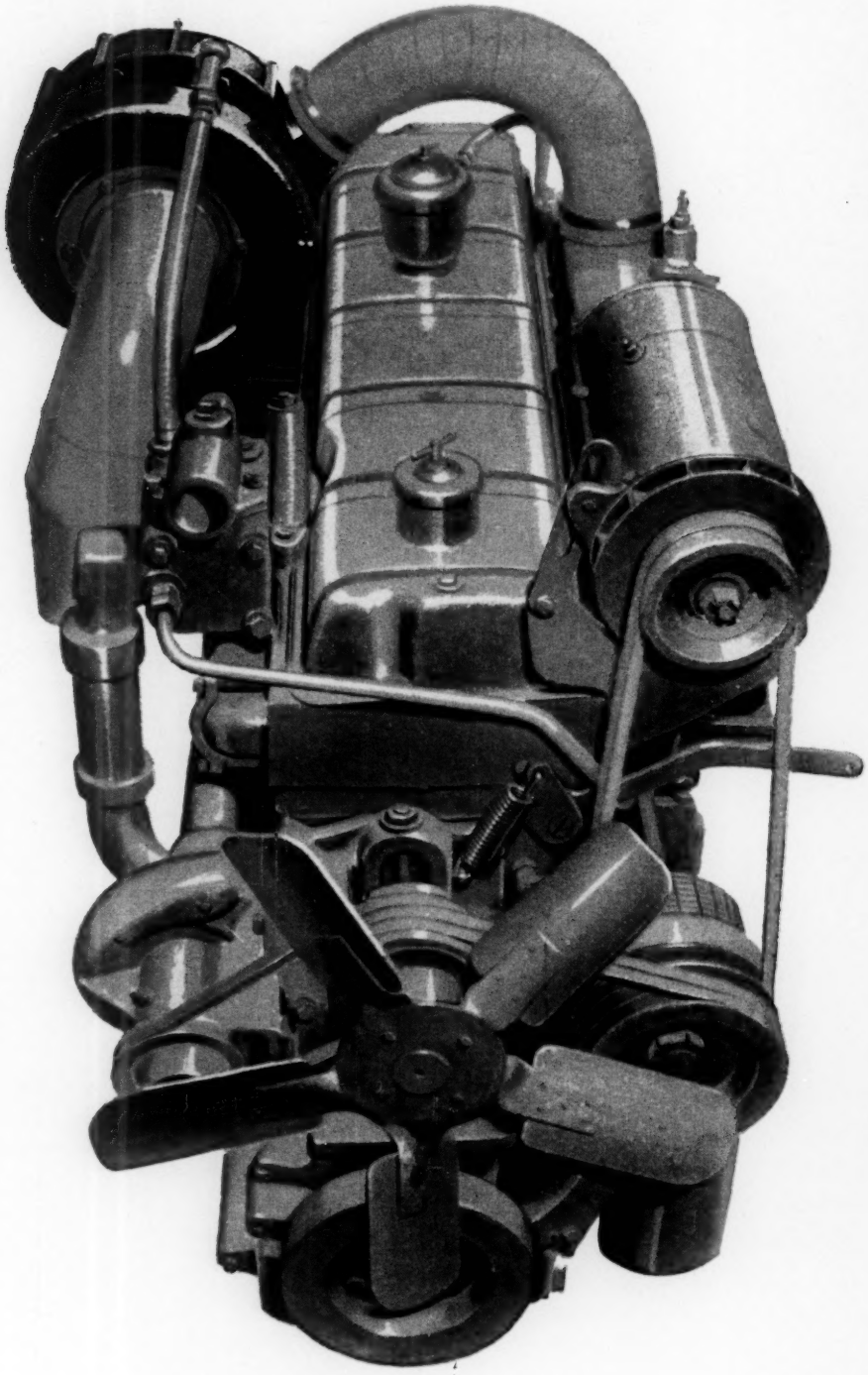
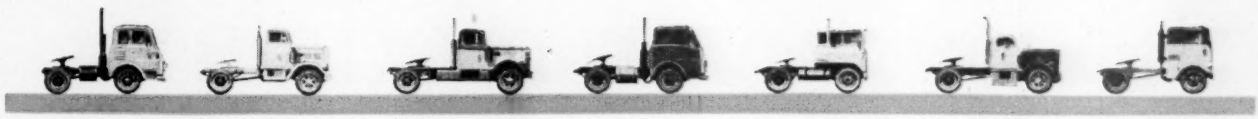


CUMMINS JT-6 TURBODIESEL

Brake horsepower....175
Governed RPM....2500
Bore and stroke....4⅛″ x 5″
No. of cylinders....6
Piston displacement....401
Net weight with standard accessories....1615

and now standard in these famous-make trucks



Diamond T | Four Wheel Drive | Hendrickson | International Harvester | Kenworth | White | White-Freightliner

175 h.p. Cummins Turbodiesel!

TURBOCHARGED! MORE POWER...LESS WEIGHT!

Here's the new lightweight Cummins that delivers 175 Turbodiesel horsepower for bigger payloads, faster schedules, lower costs! Here are all the advantages of diesel power and diesel economy without the handicap of any excess weight. The Cummins Turbocharger, driven by normally wasted exhaust gases, provides this amazing low-weight extra power by creating a more perfect air-fuel mixture... thus giving you maximum engine efficiency.

UNMATCHED FUEL and MAINTENANCE ECONOMY!

Twenty-five million miles of on-the-job performance prove actual fuel savings average from *2 to 3 cents* a mile compared to gasoline engines... prove that the JT can be profitably used even in states with a 42,000-lb. weight limit... even by operators who haul short runs or log low annual mileages! And—thanks to modern, heavy-duty Cummins design and the simple, foolproof PT fuel system—*maintenance costs on the JT are comparable to gasoline engine maintenance costs!*

Q. How much can this new Turbodiesel save *you* in a year?

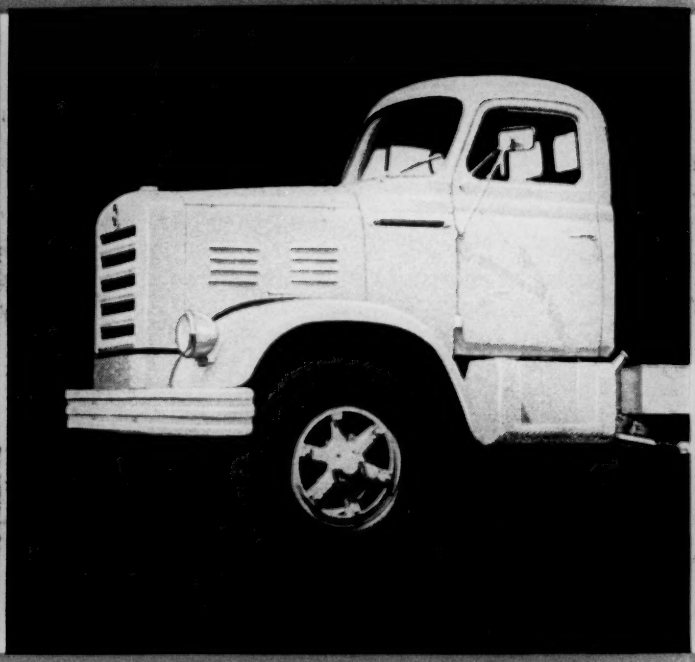
A. Multiply your annual truck or fleet mileage by 2¢ (the minimum per-mile saving based on fuel and maintenance economy compared to gasoline engines) and the result is a sample of the kind of saving *you* can have with the JT.

CUMMINS gives you the big plus **MORE PROFIT**

LIFT PAGE

Cummins 175 h.p. Turbo
now standard in ne

DIAMOND-T SPACE-SAVER
(model 723-C JT Tilt Cab Tractor)



FOUR WHEEL DRIVE T-645-D

KENWORTH CAB-BESIDE-ENGINE

WHITE SPACE-SAVER TRACTOR
(model 9022 PLTD)

...odiesel...

...ew space-saver models!

HENDRICKSON SPACE-SAVER
(model BD-240(S) short-coupled tractor)

INTERNATIONAL HARVESTER TILT CAB
(model 190 series)

WHITE FREIGHTLINER SPACE-MAKER

HERE are the newest space-saver models of leading truck manufacturers. Each of these models features the 175 h.p. Cummins Turbodiesel as standard diesel power. Each of them lets you hitch a 35-foot trailer without exceeding 45-foot overall length.

Now you get all the advantages of diesel power without any weight handicap. Here's real diesel economy! Maintenance costs as low as gasoline. Unmatched fuel savings. And as much as an 800-lb. *decrease* in engine weight over diesels previously used! That means a potential 800-lb. *increase* in your payloads!

For complete specifications, visit your Cummins Distributor or your preferred truck representative today!

Cummins JT-6 Turbodiesel gives you . . . features you need . . . performance you want!

CUMMINS TURBOCHARGING—HOW IT WORKS

Normally wasted exhaust gases are pumped through the turbine element of the turbocharger causing the turbine blades to rotate at high speed. A centrifugal impeller mounted on the same shaft, but in a separate housing, draws fresh air and blows it into the intake manifold and cylinders under pressure. Thus, greater quantity of fuel is burned creating more power at the flywheel.

EXCLUSIVE CUMMINS PT FUEL SYSTEM

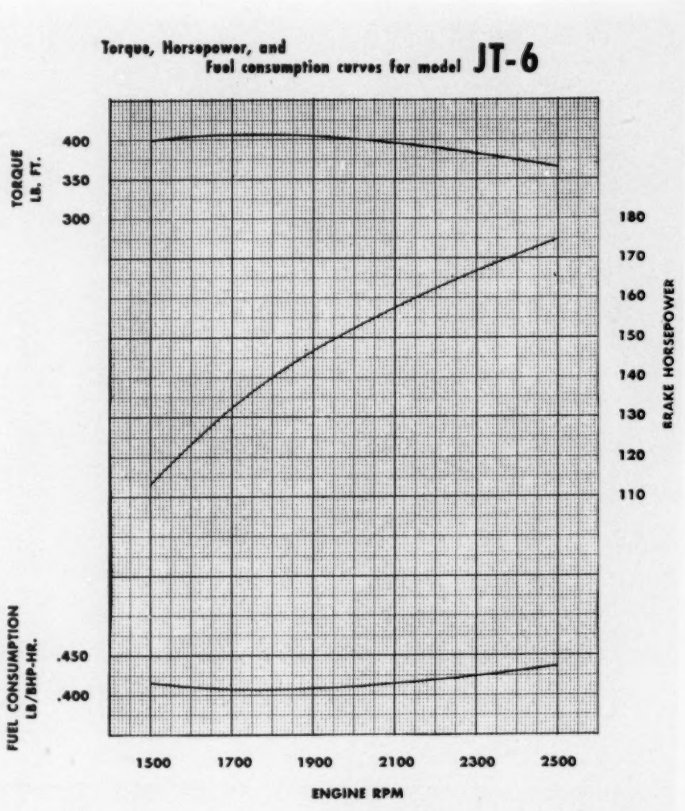
The new PT fuel pump consists of five simple assemblies—gear pump, pressure regulator, governor, throttle and shut-down valve. The injector which meters out and injects fuel has only seven parts. Because of an exclusive continuous-flow feature, the PT fuel system needs no troublesome timing adjustments. The PT's low-pressure principle eliminates the need for complicated timing governors.

EXCELLENT BREATHING CHARACTERISTICS

Cummins JT-6 Turbodiesels are built with 4-valve cylinder heads. Two air-intake valves per cylinder permit more fresh air to enter the combustion chamber. Dual exhaust valves allow more complete exhausting of burned gases. Stellite faces on valve seats and exhaust valves assure longer life at engine operating temperatures.

BUILT FOR LONG LIFE

Cummins JT-6 Turbodiesels are designed for heavy-duty automotive applications. For example, the fully counterbalanced crankshaft has seven main bearing journals, $3\frac{7}{8}$" diameter; and a $2\frac{5}{8}$" diameter crank pin bearing journal. All journals are Tocco-hardened. This same strength is found throughout the JT-6.



The curve shown above represents the performance of the Cummins JT-6 Turbodiesel with all auxiliary equipment except battery-charging generator, compressor, fan and optional equipment at standard test conditions of 1000-ft. altitude and with 90° F. intake air temperature.

In 1952, 1953 and again in 1954 . . . Cummins Diesels powered more new trucks than all other makes of diesels combined!

Cummins Engine Company, Inc., Columbus, Indiana

Leader in rugged, high-speed diesels (60-600 h.p.) ***Automotive • Marine • Industrial***

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FROM THE CAPITALS OF THE WORLD

MOSCOW....BELGRADE....BANGKOK....

>> The strange visit of Chancellor Konrad Adenauer to Moscow has been a rude jolt to the Russians. They expected him to come hat in hand, certainly not as a satellite leader, but with no more than a brief case and a few trusted aides.

Instead, the Chancellor demanded and got Soviet agreement to the most elaborate state visit in Moscow's modern history. He put a big show on the road.

>> No visiting Communists, not even Red China's leaders, got the attention which the elderly West German statesman, a U.S. ally, received in Moscow.

A chancellery on wheels arrived from Bonn. It was a train of 11 special cars, modern, well-equipped, better than anything Russians ever saw. It carried its own power plant, a dining car, a powerful radio transmitter. It parked in Moscow's main station, guarded by West Germans as West German territory.

An entire hotel, the Sovietskaya, Moscow's best, became West German territory, too. Adenauer slept there, guarded by his own armed West Germans.

Two special planes, piloted by Americans, took Adenauer and his top aides to Moscow. They were U.S. Super Constellations, unknown to the Russians. They belong to the West German Lufthansa line, now back on the world's airways.

Two fast Mercedes limousines, built in West Germany, took Adenauer and his Foreign Minister through the streets of Moscow. They outshone Soviet cars.

A crack staff of 150 West German aides and experts helped Adenauer.

All in all, Adenauer made the Communists realize they were dealing with no East German satellite, but with a sovereign, prosperous West Germany.

>> What the Russians knew, as they dealt with Adenauer, was that time, sooner or later, would come to their help in dealing with the problem of Germany.

Old men, like Adenauer, now 79, retire or die in office. Soviet leaders hope to do better with successors when the "Old Fox" of a free Germany is gone.

Young men, like the Communist youth of East Germany, mature. One day, men who never knew freedom may be in the majority in East Germany. Then Moscow may risk a united Germany, hoping to get a Communist Germany. But not now.

>> What Adenauer knew, dealing with Soviet leaders, was their main weakness.

Two million East Germans have gone to West Germany, choosing freedom. Communism, today, has little appeal for most Germans.

Worrying on the side lines, in Moscow, were members of a delegation from satellite Poland. They feared that Soviet leaders might offer to return Germany's "lost territories" to a united and "neutral" Germany. In that area, now Polish, are 7 million Poles. Revolt in Poland is a Communist nightmare.

Wooing the Germans, Moscow finds, causes jealousy in Eastern Europe.

(over)

>> Wooing Yugoslavs is part of the "new look" in Moscow, too.

Tito is getting Soviet credits and loans totaling 84 million dollars, plus a promise that trade, each way, will total 35 million dollars a year.

This is "peanuts" compared to U.S. gifts to Yugoslavia of more than 500 million dollars, exclusive of U.S. military aid. It's small, too, compared to Yugoslavia's 400-million-dollar trade debt to Western European countries.

But Tito, getting Soviet aid and trade, remains friendly with the West.

>> It's an odd lesson for satellite Communists who did not defy Moscow as Tito did. Interest rates given Tito by Russia are as low as those given to the satellites. Soviet trade levels with Yugoslavia rise toward the peak of 1948.

More humble pie for the satellites has been ordered from Moscow. Poland, Czechoslovakia, Hungary, Rumania--all are sending Communists to Belgrade to make peace with Tito. As the satellites see it, a rebel gets the best of both worlds.

>> Mystery of the "atomic glue" which holds neutron and proton together in an atom may eventually yield better means of getting more energy than by known methods--fission and fusion. The big race in atomic science is in this field.

Russia's present lead in this race is accepted by most Western scientists. Since 1952, Russian scientists have been operating an atom smasher called a synchrocyclotron, known to be better for such study than anything now in the West.

>> The man whom Western scientists believe to be directing this project in Moscow is an Italian-born physicist who became scientific director of Britain's atomic-research station, then vanished in 1950--Dr. Bruno Pontecorvo.

More Western brains for Russia may be on the way--this time openly in the name of co-operation in pure science. A Nobel Prize winner in physics, Professor Cecil Powell, of Great Britain, says he wants to accept a Soviet invitation to go to Moscow, perhaps to the Soviet Arctic, to collaborate in cosmic-ray research. In this field, too, Russia may be ahead.

>> Field Marshal P. Pibulsonggram, Thailand's soft-spoken Premier, came back from his visit to the U.S. and Britain with startling news for Thailand.

Graft, the Premier said, is bad form. It must go.

The Premier's example set the pace. He resigned from the boards of companies which profited from Government contracts. The Army commander resigned from 14 such companies. Other Cabinet members, aghast at this setback to an old Thai custom of profit from graft, got a week to change their ways.

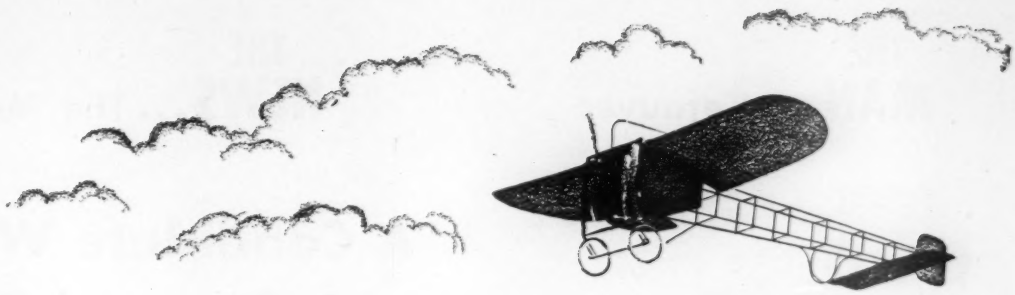
>> Pibulsonggram said this about rumors of revolt brewing against him.....

"Revolution by armed force in Thailand is already outdated. Although I myself once participated in that kind of work, I have abandoned this idea. Only those who are supported by the majority of the people can form the Government."

This new idea--for Thailand--startled a people usually apathetic to politics. Westerners hope Pibulsonggram can make it work--and stay in office.

>> The frenzy for liquidating "counterrevolutionaries" has reached new heights in Communist China. It's official, now, from Peiping's Minister of Justice, that "people's courts" have handled 363,604 such cases in the last 20 months.

Inside Red China, it seems, Communists want no relaxing of tensions.



You CAN Afford Travel Safety

Aunt Mehitabel's ideas about "flying machines" are as outmoded as her hats

Modern personal and executive airplanes have a safety record that is superior to that of motor cars *by a ratio of about five to one.*

No one who has experienced the pleasure of flying straight to his destination in a BEECHCRAFT at a speed of from 180 to 215 miles per hour will be content to fight traffic at 40 or 50 miles per hour on the ground, around devious routes.

The cost of a Bonanza is greater than a top-grade car, but it delivers more miles per gallon, and owners often depreciate it over 500,000 miles of use. If usage is reasonably high, the cost per mile is very little more than that of a fine motor car.

You *really can* afford travel safety. For complete details, see your BEECHCRAFT dealer or distributor, or write to Beech Aircraft Corporation, Wichita, Kansas.

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THE MAN ... Kefauver

THE NEWS ... The Man to Beat?

—USN&WR Photo

A Candidate Who Hasn't Stopped Going

Senator Kefauver may be a surprise in the race for the 1956 Democratic presidential nomination. Party leaders still oppose him, but he counts on his own campaign skills to put himself over.

ANOTHER TRY at the Democratic presidential nomination is being prepared by Senator Estes Kefauver, and there are some who think he might make it this time.

The contest itself is developing into a wide-open race. Mr. Kefauver's principal opponents are Adlai E. Stevenson, the 1952 nominee, and Governor W. Averell Harriman of New York. The Senator, off on a junket to Russia and outwardly unconcerned, is rated now as running third. But he has yet to go into action.

In his campaigns, the folksy, quiet-spoken Tennessean has shown that, by old-fashioned stumping, getting around, talking to many people, shaking many hands, he can be a formidable vote getter. Such tactics took him to the 1952 Convention with the largest block of pledged ballots of any candidate. He led on the first and second roll calls, only to lose to Mr. Stevenson on the third.

As for 1956, the latest estimate of the Senator's potentialities comes from the other side of the political fence, from Vice President Richard M. Nixon, a leading Republican tactician whose political appraisals are widely respected. Mr. Kefauver, the Vice President says, might be the strongest candidate in the Democratic camp.

Mr. Nixon credits the Senator with a "down-to-earth appeal that professional politicians have consistently underestimated." But he thinks Mr. Kefauver would have trouble winning the nomination because he has "alienated" important leaders of the Democratic Party. Many political observers agree.

Lone wolf. Throughout his political career, Senator Kefauver has stubbornly ignored the party's old-line leaders to go it alone. After 10 years in the U. S. House of Representatives, he bucked the powerful Memphis organization of E. H. Crump to go on into the Senate, meanwhile acquiring his coonskin-cap trade-mark.

In the televised crime investigation that brought him to national attention, Mr. Kefauver trod on the toes of some old-line Democratic leaders. The hearings brought out, in some instances, links between organized crime and big-city Democratic organizations.

Then, in 1952, he quickly made an enemy of President Harry S. Truman. Mr. Truman's name was entered in the very first presidential primary, in New Hampshire. The President disavowed his candidacy, but regular Democratic leaders worked hard for him. Mr. Kefauver, campaigning for himself, went from one snow-piled village to another, talking to people—and won handily.

On top of that, the Senator spoke disrespectfully of President Truman's political upbringing under the old Pendergast organization in Kansas City. He criticized Mr. Truman for the seizure of the steel industry. And he asserted the Administration had been lax in cleaning up the scandals then coming to light.

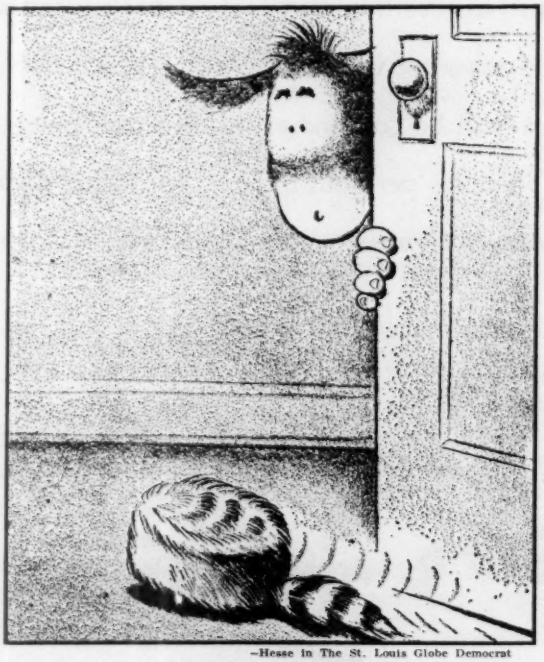
After the New Hampshire election, Senator Kefauver went on to campaign in presidential primaries from one coast to the other. Regular-organization leaders in several States tried to "stop" him. In California, for example, he defeated a hastily chosen organization opponent by 1,156,000 to 486,000 for that State's big block of votes. He won in 13 of 15 such contests.

As a result, Mr. Kefauver received 340 ballots on the first Convention roll call to 273 for Mr. Stevenson, with 616 necessary for the nomination. On the second roll call, the Kefauver total rose to 362½ and Mr. Stevenson's to 324½. Several favorite-son candidates withdrew in Mr. Stevenson's favor before the third roll call, and the latter was nominated with 617½ ballots to Mr. Kefauver's 275½.

Strategy. Mr. Kefauver's strategy for 1956 is to be the same that it was in 1952—to amass such a commanding lead before the Convention, and make such a show of vote-getting power, that the party leadership, or enough of it to give him the nomination, will find itself forced to come to him.

In 1952, he showed his cam-

(Continued on page 84)



—Hesse in The St. Louis Globe Democrat

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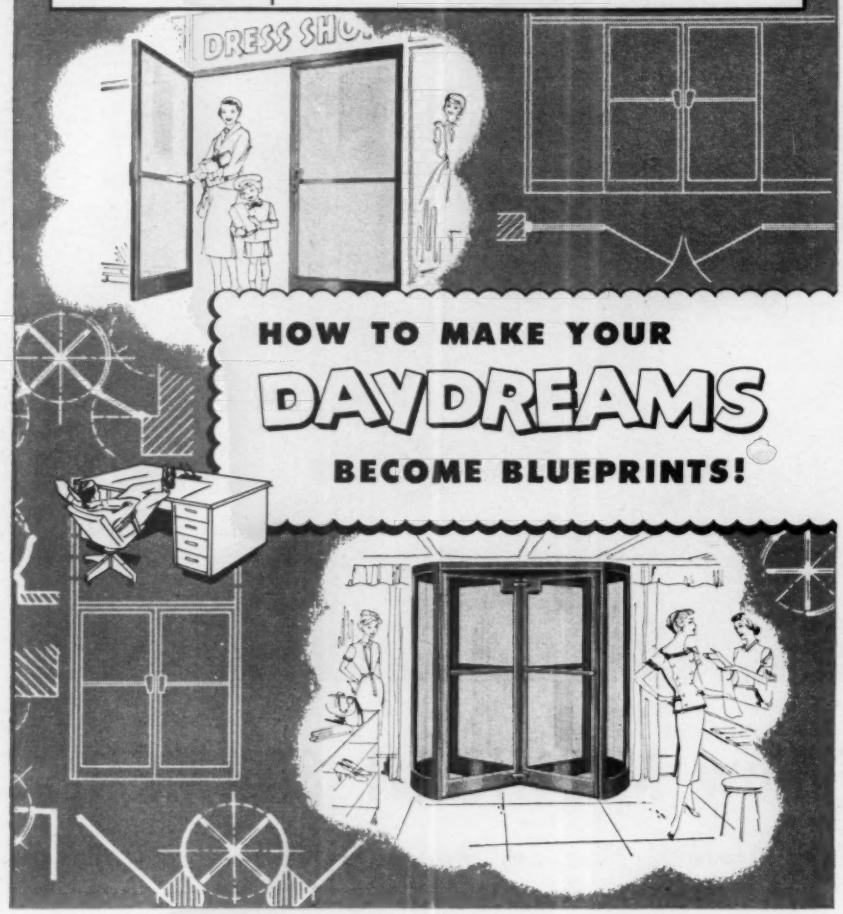

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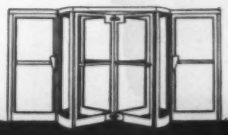

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Senator Kefauver may find primaries different in '56 . . .

paigning ability and went to the Convention well in the lead, but still was far short of enough votes for the nomination. His opponents at all times had the situation well in hand and had only to wait for the right moment to show their strength.

Prospects now are that primary-election circumstances may be different next year. In 1952, Mr. Stevenson was not a professed candidate until after his nomination, and Mr. Kefauver had little or no first-string opposition in his preference campaigns.

This time Mr. Stevenson is expected to announce his candidacy well in advance—in November, 1955. Primary elections next spring might find him pitted against Mr. Kefauver in some key States. Any decisive defeat could have the effect of pushing the loser right out of the campaign. Or, as another possibility, Mr. Kefauver and Mr. Stevenson might "kill each other off," with Governor Harriman stepping into the nomination.

Two other difficulties stand in Mr. Kefauver's way:

Most Southern leaders have no enthusiasm for the Senator. He sometimes has voted with them, sometimes against them, on civil rights and other sectional issues. They want a man who is with them at all times. Meanwhile, some Northern "liberals" object to what they call his midway stand on civil liberties, although in 1952 he obviously had much support from "liberal" groups and from labor.

In addition, Mr. Stevenson and Governor Harriman apparently have entered into an informal understanding aimed at giving one or the other of them the nomination. For the time being the Governor is supporting Mr. Stevenson, but stands ready to go ahead on his own as circumstances dictate. Their combined Convention strength could prove powerful.

Undiscouraged. It takes more than these things, however, to discourage Senator Kefauver. At 52, he is ready for another battle, thinks he can win this time and then defeat any Republican nominee—including President Eisenhower.

Many politicians think, however, that the Senator needs an issue and has been searching somewhat desperately for one. His crime investigation is no longer fresh in the public mind. He tried investigating juvenile delinquency and the publishers of comic books. That failed to click.

The Senator has been investigating the Dixon-Yates electric-power contract. This is a lively issue in Tennessee. It is, however, a complicated subject, hard to understand. In addition, Mr. Eisenhower cut much of the ground out from under him by canceling this Government con-

. . . Tennessean doesn't hesitate to criticize Ike

tract with a private firm. Politicians have concluded that Dixon-Yates is lacking in national appeal.

Unlike some Democrats, Senator Kefauver does not hesitate to attack Mr. Eisenhower personally. He has criticized the President for lack of leadership, called him a man who "reigns like a constitutional monarch rising above both party and government when things turn unpleasant." He blames the President directly for a "bungled" program on the Salk polio vaccine.

The Senator also has complained that Mr. Eisenhower spends "less time in the White House than any other President" and "doesn't meet many small farmers or workingmen on the golf courses." The Eisenhower Administration, he adds, "hasn't gotten off dead center since it got to Washington and apparently it isn't going to get off dead center as long as it stays there."

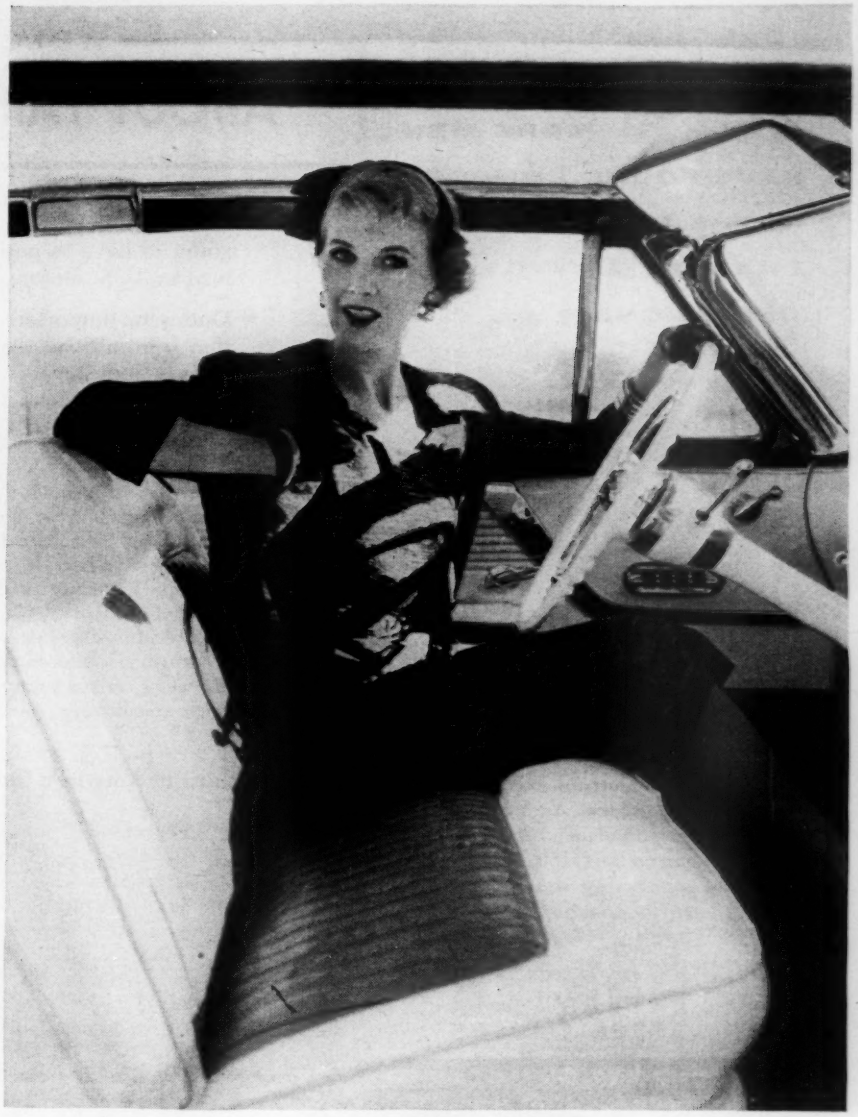
Up by bootstraps. Senator Kefauver grew up in rural Tennessee, worked his way through the State University and Yale Law School with a variety of jobs—waiting on tables, tending furnaces, working as a farm hand and as a salesman of Bibles and brushes. He practiced law in Chattanooga, but politics beckoned.

In 1939, Mr. Kefauver won a seat in the House. Soon he became coauthor of a book calling for reforms in congressional methods. Meanwhile, his votes usually were cast with the "liberal" wing of the party, in favor of New Deal legislation, except for his occasional holding back on civil-rights issues.

Mr. Kefauver's victory in the 1948 Senate primary marked a political milestone in Tennessee in that it ended the domination of the Crump organization. Last year, however, he had to fight for his political life. He was opposed for re-election by Representative Pat Sutton, who accused the Senator of being too much of an internationalist and of consorting with "left-wingers." Mr. Kefauver barnstormed every county in the State, once again demonstrated his vote-getting powers by winning with an unexpected 3-to-1 margin.

Now, preparing for another major campaign, Senator Kefauver finds the odds against him somewhat formidable. Party leaders support him no more than before. If he gets anywhere, it will be—as in 1952—by his own efforts and political-campaign skills. All expectations are, however, that before it is over the party may be in for an extraordinary battle.

For Vice President Nixon's own words on the way the presidential nominations are shaping up, see page 119.



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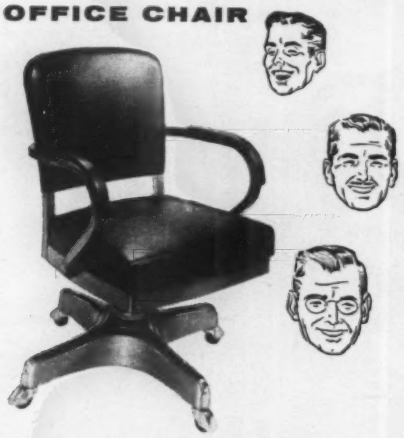

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We've Been Asked:

ABOUT TARIFF ON BICYCLES

- **American boys and girls—and their parents—are soon going to have to pay more for foreign bicycles that they buy in U. S. stores.**
- **Duties on imported models are being raised. Competition from abroad threatened the future of the American bicycle industry.**

Why did the President raise the tariff on foreign bicycles?

The President did this in a move to give protection to American bicycle makers, who have been losing sales. In recent years, foreign models have been becoming more and more popular among youths in this country. The President declared a 50 per cent increase in tariffs after finding that the U. S. industry "suffered serious injury or the threat of serious injury from increased imports resulting in part from tariff concessions."

Why have sales of American bicycles fallen off?

For one thing, the prices of foreign bicycles have been falling, so importers have been able to undersell U. S. models. In addition, many American youngsters favor the imported makes. They like the "foreign" look. Many of these bicycles are light in weight, have handle brakes and offer three gears for fast, smooth riding. There also are American makes of lightweight "English type" bicycles, but price competition with those from Britain and other European countries has been difficult.

Will imports of foreign bikes be cut down?

Not necessarily. Foreign manufacturers did not like the higher duty rates, but some importers say that the increase probably will not have any great effect on the number of foreign wheels reaching the U. S. market. Spokesmen for the U. S. industry think the new tariff is not high enough to affect imports greatly. Originally, American manufacturers asked for quotas to reduce imports from abroad, but this request was not granted.

Will imported makes cost much more now?

The prices of foreign bicycles in stores will not be a great deal more. The rise in prices for some models is expected to be about $1.25 to $3. Importers say that the top increase for most-expensive types may run as high as $6. The markups in prices are expected to be reflected in retail stores soon.

Is there to be a rise in retail cost of American makes?

No general increase in the price of American bikes is looked for.

How can foreign manufacturers undersell U. S. producers of bicycles?

A number of factors are involved. Labor and materials generally cost less in other countries. American importers and retailers have tended to lower their margin of profit on foreign products. Also, European manufacturers have benefited from devaluation of foreign currencies and previous U. S. tariff cuts. For example, Americans have found it more expensive to produce hubs for three-speed gears than have their European competitors.

How much, actually, have imports increased?

One section from a U. S. Tariff Commission report proposing higher duties gives an indication: In 1949, the total number of bicycles imported from all countries was just under 16,000; last year, the number reached about 964,000. The Commission reports that imports have been running even higher this year.

From what countries do these bicycles come?

The United Kingdom, specializing in English lightweights, led—with more than 530,000 exports to U. S. in 1954. Next came West Germany, which offered strong competition for balloon-tire types with 262,000. Other important exporters to the U. S. are France, Austria, the Netherlands, Belgium, Luxembourg and Italy. Japan sent 1,300 bicycles to this country last year.

How much are the import duties now since the raise?

The new rates, up 50 per cent over former duties, are 22½ per cent of the value on all types of foreign-made bicycles except lightweights. The latter now have a rate of 11¼ per cent. The figures are in keeping with recommendations of the Tariff Commission—except in the case of the lightweights, where the Commission also wanted a tariff of 22½ per cent.

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Fortunately, in the great undeveloped rivers and waterways of near-by Canada's northland, there lies ready and waiting some of the world's most dependable sources of economical hydroelectric power . . . power that can be devoted exclusively to the production of aluminum.

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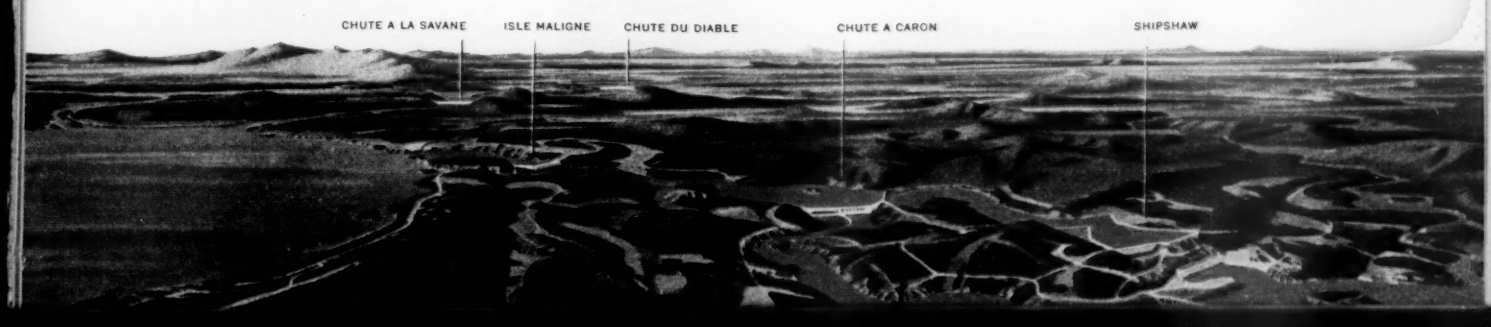

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FROM BRITAIN

BOOM IN GI MARRIAGES

LONDON—Thousands of British girls are being given a chance at American citizenship these days, with the official blessing of the U. S. Air Force.

At the rate of 250 a month, British girls are marrying American airmen stationed in this country. In the seven years since the USAF returned to Britain, more than 15,000 GI's have acquired British wives. Up and down Britain—in the cities, towns and villages—Anglo-American weddings are taking place, with young, blue-clad Air Force men as the bridegrooms.

The Air Force, often with extreme reluctance, puts its official stamp of approval on each of these international marriages. Air Force men who marry, along with the hundreds who are refused permission, add up to a lot of expense, headache and—sometimes—a lot of heartache as a by-product of the problem of defending Western Europe against potential Communist aggression.

Actually, most of the U. S. airmen in this country are married to American women, and a large majority bring their wives and families with them. It is mostly youngsters in their early 20s, in the lower grades, who take British wives.

It is no simple matter for a young American airman and his British fiancée to get married, however. The red tape is considerable. Air Force procedure discourages many applicants.

To marry a British girl, a GI must have the permission of his commanding officer. Before he gets it, the Air Force does a lot to see that the airman isn't making a mistake he will regret for a long time.

The prospective bride undergoes a thorough investigation by military and civilian police and intelligence units to make sure she has no criminal or subversive record. It may turn out that the girl has a record of prostitution or has

(Continued on page 90)

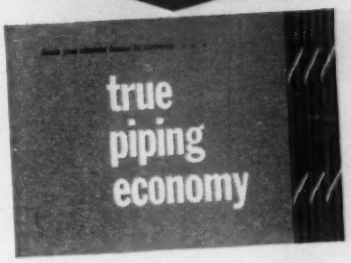
INTERNATIONAL COURTSHIP

—Keystone, European

U. S. AIRMAN, BRITISH BRIDE

Before there's a wedding, the commanding officer must approve

NEW!



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OZAMATIC *(left) is a table model, handles sheets as wide as 16", and can make up to 1000 prints an hour.*

memo

. . . Doctor, chaplain check on British bride of a GI

an otherwise shady background. In such cases, the marriage is turned down flat.

Each girl also gets a thorough medical checkup. A history of tuberculosis, for instance, would disqualify her from entering the U. S., and the fiancé would be refused permission to marry her.

If the girl passes this step, she and her American fiancé are sent to the base chaplain representing the airman's religion. The chaplain often raises objections. His recommendation carries weight with the commanding officer. If he has doubts about the success of a marriage, he recommends that permission be withheld.

"It's pitiful sometimes," says one chaplain. "A young GI comes in here with a girl who everybody knows is nothing but a camp follower. So I have to tell him it wouldn't work. Then some guys over here are just too young and immature to get married. They may have court-martial records. I have to tell the girl what the guy is like, what she's letting herself in for."

There's one more requirement for marriage of an airman below the grade of staff sergeant—he has to put up a bond of $300 to insure his wife's passage to the U. S. when his service in Britain ends. The government pays transportation to and from the U. S. for wives and families of staff sergeants and above.

Marrying an American doesn't automatically assure U. S. citizenship for the British girl. She has a chance to get to America that most other English girls wouldn't get, but she must fulfill all of the usual requirements for citizenship.

Interracial marriages present the Air Force with special problems, even though the number of Negroes who apply for permission to marry white British girls is small. One Roman Catholic chaplain said:

"We tell the girl what she's going to be up against when she goes to the States, and we tell the airman that 99 out of 100 such marriages just can't work out. But sometimes there's nothing we can do. I would be going against my religion to turn down a marriage on the basis of racial difference."

How many Anglo-American marriages involving U. S. airmen work out in the long run, the Air Force has no way of knowing. It does know, however, that the young unmarried airman who comes to Britain for a three-year tour has a strong chance of taking home a British wife.

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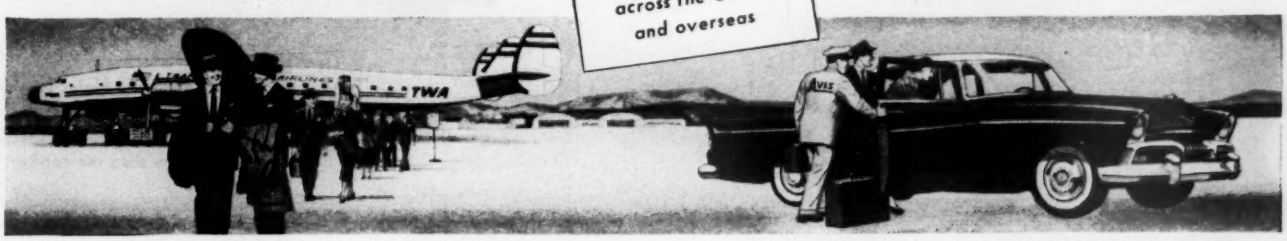


Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

A LOOK AT U.S. 10 YEARS FROM NOW

Where 28 million more Americans will live in 1965 is now foreseen.

New estimates spot the States to make biggest gains.

California, Florida, the Great Lakes, and the Connecticut-Virginia seaboard lead the parade.

You now get a good picture of where markets in the U. S. are likely to develop fastest during the next decade.

The West, of course, from the Rocky Mountains to the Pacific Ocean, shows up as a very-fast-growing area. Here industry, commerce and agriculture are to increase faster than anywhere else.

California will become the most populous State, surpassing New York, by 1965. That could mean that California, in the not-too-distant future, will take its place among the producers of U. S. Presidents.

Apart from the West, there are some surprises in the newest population estimates. Quite a few States, most of them located on the country's borders, are growing faster than average. Some of the biggest growth is in prospect in some of the older areas.

With these exceptions, the East Coast and the central heartland of the U. S. are expected to grow less than the national average.

But you need to take a closer look at the figures before deciding where it would be best to migrate to or open a new business.

Politicians will find material for study in the figures, too. The figures suggest some changes in the nation's voting line-up.

Marriages and births are occurring faster than Government experts expected.

Population on July 1, 1955, not counting armed forces overseas, was 164.2 million, nearly half a million more than the highest Government forecast made in 1953. The Economic Unit of *U. S. News & World Report* has adjusted the official estimates for 1955-65 to reflect current growth, indicating a U. S. total by 1965 of almost 192 million, or 17 per cent more than 1955. A new official forecast is in preparation.

State figures given here also are based on Government estimates, adjusted for the latest changes.

Fast growth shows up in a few groups of States, as the map below shows.

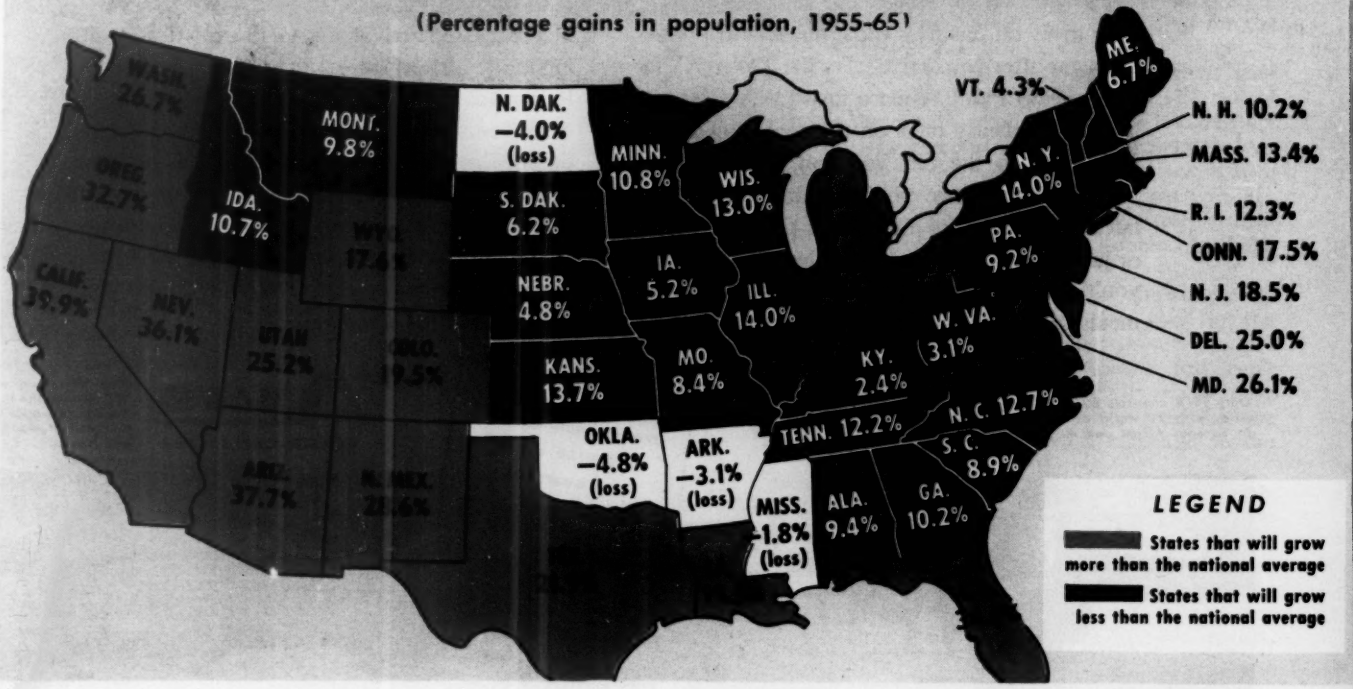
The largest-growth area is in the West, running through the Rockies and along the Pacific Coast. Of 20 States expected to grow faster than the national average, nine are in this Western band.

In fact, the only States in the area that are not growing relatively fast are Idaho and Montana, and the pace could quicken there, too. Impact of new developments, such as oil and uranium discoveries in Montana and power projects in Idaho, remains to be calculated.

In next 10 years—

Where 28 Million Americans Will Be Added

(Percentage gains in population, 1955-65)



Basic data: Census Bureau

California, now the second-most-populous State, is expected to charge into the lead with a growth of nearly 40 per cent. In 10 years, California is likely to gain almost 5.2 million inhabitants; New York State will gain about 2.2 million.

This means that the phenomenal rise of manufacturing, trade and agriculture in California is far from finished. The State that already boasts the biggest privately owned bank in the world, the largest aircraft industry and a growing output of steel and autos is likely to assume a major role in other lines.

Each of California's neighbors also is slated to gain more than 30 per cent.

Nevada, for example, is expected to add 36 per cent to its population. This rapid growth, however, will not in the next decade lift the State out of the lowest rank in number of inhabitants.

Rapid growth alone does not mean development of large markets, as Nevada illustrates.

To the south, this group is joined by Texas and Louisiana. Here, growth in oil and chemicals are major factors.

Florida is a kind of isolated case of extra rapid growth, standing by itself. This State is slated to add more than one third to its population by 1965.

The Florida gain has been much faster than anticipated. The immigration of elderly people and others has reached big proportions and is expected to continue. Florida no longer is just a land of oranges and winter vacations.

On the East Coast, a string of States that is growing faster than average stretches from Connecticut—gaining just a shade more than average—to Virginia.

The northern end of this chain gets the overflow from New York City. At the southern end, Maryland and Virginia share in the growth of Washington, D. C., as a world metropolis and as a business center. Defense industries also are big in these States.

A third area of growth borders the Great Lakes. Estimates of prospective gains in Michigan, Indiana and Ohio do not take into account the impact of the St. Lawrence Seaway development.

Rather, the figures for these three States reflect the expansion of the steel, automobile and electrical-appliance industries and other large manufacturers.

In other parts of the country, including most of New England, much of the Middle Atlantic area and the Middle West, growth is slower than average and is expected to continue at a leisurely pace.

The South does not show up as a particularly fast-growing section, in spite of the notable rise of industry in the area. Only four States—Virginia, Florida, Louisiana and Texas—grow faster than average.

The 11 States the politicians usually classify as the Democratic South now contain a little more than 24 per cent of the nation's population. In 1965 they will have about the same proportion or slightly less.

The Border States have about 9 per cent of the national total today and will have about 8 per cent in 1965.

Thus, the strength of the South in politics is not likely to change much in the next few years. The main shift in votes will take place outside the South, where the West will gain at the expense of the East and Midwest.

Actual losses in population are indicated on the chart for four States: Mississippi, Arkansas, Oklahoma and North Dakota. Estimates shown here are less optimistic than the highest forecasts made by the Government for these States, but considerably more optimistic than the Government's lowest figures. New developments could, of course, change the outlook in each case.

Right now, growth seems to be slowing down in these and most other States where farming predominates.

Such trends, reflected in the population figures, are a guide to the businessman and employe. They are one way of tracking down opportunities for future markets and future jobs.

For a look ahead at the fastest-growing city in the fastest-growing State, see the story of Los Angeles. Begins on page 47.

	1965 POPULATION	GAIN FROM 1955
ALABAMA	3,422,000	293,000
ARIZONA	1,455,000	398,000
ARKANSAS	1,853,000	—59,000 (loss)
CALIFORNIA	18,100,000	5,165,000
COLORADO	1,792,000	293,000
CONNECTICUT	2,678,000	399,000
DELAWARE	470,000	94,000
FLORIDA	4,983,000	1,282,000
GEORGIA	4,119,000	380,000
IDAHO	705,000	68,000
ILLINOIS	10,640,000	1,304,000
INDIANA	5,096,000	810,000
IOWA	2,814,000	140,000
KANSAS	2,304,000	277,000
KENTUCKY	3,100,000	72,000
LOUISIANA	3,547,000	579,000
MAINE	1,010,000	63,000
MARYLAND	3,362,000	695,000
MASSACHUSETTS	5,683,000	671,000
MICHIGAN	8,983,000	1,780,000
MINNESOTA	3,499,000	342,000
MISSISSIPPI	2,189,000	—39,000 (loss)
MISSOURI	4,571,000	355,000
MONTANA	705,000	63,000
NEBRASKA	1,453,000	67,000
NEVADA	313,000	83,000
NEW HAMPSHI	592,000	55,000
NEW JERSEY	6,359,000	994,000
NEW MEXICO	1,034,000	230,000
NEW YORK	17,825,000	2,192,000
NORTH CAROLINA	4,857,000	547,000
NORTH DAKOTA	625,000	—26,000 (loss)
OHIO	10,387,000	1,638,000
OKLAHOMA	2,178,000	—110,000 (loss)
OREGON	2,226,000	548,000
PENNSYLVANIA	11,917,000	1,006,000
RHODE ISLAND	934,000	102,000
SOUTH CAROLINA	2,487,000	547,000
SOUTH DAKOTA	719,000	42,000
TENNESSEE	3,812,000	414,000
TEXAS	10,541,000	1,892,000
UTAH	978,000	197,000
VERMONT	410,000	17,000
VIRGINIA	4,405,000	773,000
WASHINGTON	3,302,000	696,000
WEST VIRGINIA	2,019,000	61,000
WISCONSIN	4,114,000	473,000
WYOMING	374,000	56,000

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Interview — with HOMER and NORTON DODGE
Recently Back From U.S.S.R.

RUSSIA GAINS OVER U.S. IN EDUCATING SCIENTISTS

Just how good is the Russian system of education? Is it turning out more scientists and engineers than the U.S. system?

Here is a report by the first Americans since World War II to study Soviet education at first hand. Their answers are the result of going into Russian classrooms, talking with Soviet educators in their own language.

Dr. Homer L. Dodge, president emeritus of Norwich University in Northfield, Vt., has spent years studying educational methods in the U.S., Europe and Japan. Norton T. Dodge, his son, is a graduate student in Russian studies at Harvard, and speaks Russian.

This is the latest in a series of interviews by editors of *U.S. News & World Report* with the Dodges since their return from a long study tour of the Soviet Union.

Q Are you the only Americans to make a firsthand study of Soviet education?

A We know of no other Americans who have done so since the war.

Q Did you actually visit a number of Russian schools?

A Yes, we made a special point of being in Russia during the school year so we could visit institutions at all levels of the educational system while they were in session. We visited a number of institutions, talked with professors and students, visited classrooms and laboratories, and even attended oral examinations.

Q So you were really looking at Russian schools from the inside, not just from the outside?

A Yes, we saw Russia's schools from the inside.

Q What were you particularly interested in?

A We were particularly interested in evaluating the quality of scientific and engineering training. But we also had a general interest in their entire educational system and how it compares with our own.

Q How did the educators receive you? Were they willing to talk with you?

A At the institutions we visited they were quite cordial. The staff members were generous with their time, answered our questions patiently and showed us around quite willingly. They impressed us as able men.

Q Did they show you what you wanted to see—or do you think they showed you just what they wanted you to see?

A As near as we could tell, they showed us what we wanted to see. However, there were a few institutions we asked to see, research institutes, for example, to which we were not able to arrange visits.

Q From what you saw of Russian schools, what was your general impression? Do they have a pretty good educational system?

A For its purposes, yes.

Q By all reports, the Russians teach an unusual amount of science and mathematics. Why do they do that?

A Well, the ultimate aim is to build up their economic and military strength. They need scientists and engineers to do this.

Q The people will have an unbalanced viewpoint from such an education, won't they?

A Yes, but their educational system is designed to strengthen the state. From the state's point of view it is not important that an individual develop all of his capabilities and become a well-rounded human being.

Q Do you think we could change our educational system so that we could compare with them?

A I would not want to use them as our example, but, rather, the British or Scandinavian institutions, where the student gets a very broad cultural education along with a very solid foundation in mathematics and science.

Q In this country, according to reports, the training of scientists, physicists and mathematicians is apparently on the decline. The number of students in these fields is getting smaller. Apparently that's not true in Russia?

A Quite the reverse. At the present time the Soviet Union is still producing fewer scientists than we are—but the Soviet output is increasing. In the field of engineering they have already passed us. Last year, 1954, they graduated more than 50,000 engineers, while we graduated only 22,000.

Q How do you differentiate between engineers and scientists?

A By scientists we mean physicists, mathematicians, chemists, biologists and the like.

Q And in that field our production is larger than the Russians?

A We still have the edge in science. But, if present trends continue, they will overtake us.

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Thousands Specialize in Physics . . . Courses Harder And Longer . . . How Soviet Schools Look From Inside

Q What about physicists, who are so important in work on nuclear energy?

A It is very difficult to judge. No separate figures for physics graduates are available in the U.S.S.R. for comparison with the figures available here. We do, however, have approximate enrollments in physics and mathematics at a number of Russian universities which indicate a high rate of production.

Q What are these figures?

A At Moscow University they are training over 3,000 physicists and mathematicians, at Kiev it was close to 1,000, at Kharkov 900, and so on.

Q But do they have as many schools as we?

A No, they have only 33 universities, while we have a great many more. But only half a dozen departments of physics in the United States graduate more than 30 undergraduate majors a year. The same statement applies to mathematics.

Q How do you account for Russia's high production of specialists in these fields?

A The Soviet Union has a clear understanding of the crucial role of the scientist and engineer in the development of economic and military power. Since the revolution, they've been concentrating heavily on the training of scientists and engineers. Although we have more students in our universities, a much higher percentage of their students are in the sciences and engineering.

Q How do the Soviets induce so many students to study science and engineering?

A It is much easier for the Soviet Government to direct students along the channels they desire. In contrast, our educational system is centered on the individual and gives the individual considerable freedom of choice. The Soviet educational system is centered on the state and is directed toward the development of state power. The alternatives available to a student are limited, and the incentives to go into a career of engineering or science are great.

Q Does the state subsidize that education?

A Yes. They provide scholarships for all students who make satisfactory grades—that is, make grades of "excellent" and "good." This included 90 per cent or more of the students at most of the institutions we visited.

Q How do you evaluate the education Soviet students get? Are the graduates qualified?

A On the basis of what we saw, we can say that they are good—at least as good as the students we are turning out here. We are speaking of science and engineering.

Q Is the Soviet educational system similar to ours?

A The Russian system is much more highly organized and standardized than our own, but it is similar to ours in its vertical organization.

Q How is it organized?

(Continued on next page)

—Sovfoto

FIRST YEAR AT UNIVERSITY, SEVENTH YEAR OF CLASSES IN BIOLOGY

. . . "More drive for education than in America"

A First, there is the elementary school of four grades, which is set up on a room basis, with a single teacher for each grade, or room. Following that, there are three years set up on a subject-matter basis. That makes the seven-year school, the school which is universal in Russia at the present time.

Q What comes next, after the seven-year school?

A Then, on top of the seven years, an additional three years makes the 10-year school. It already exists in the cities and in some of the rural areas. The objective is to make the 10-year school universal in the U.S.S.R. by 1960.

Q Would that be comparable to our 12-year school—grade and high school?

A Yes, the Russian 10-year school and our high school both prepare students for college.

Q When a student has finished 10 years in a Russian school, is he as well educated as an American high-school graduate after 12 years of school?

A In certain respects he is better educated. The Russian child normally enters school when he is seven years old, and he is 16 or 17 when he graduates from the 10-year school. An American child enters school at the age of six and graduates at 17 or 18. Now, the Russian child has gone to school six days a week and he works much harder than the American student. Education is serious business for Russian children.

SCHOOL ON SATURDAY, TOO—

Q Doesn't the Russian child get Saturday off, as in America?

A No. Just Sunday. More important, he has had six years of biology, five years of physics, four years of chemistry, and mathematics from start to finish, including algebra and trigonometry. In science and mathematics he will be well ahead of the American high-school graduate.

Q Do the Russians put less stress on subjects such as social science and languages?

A Yes. But no less stress than in this country, where quasi-vocational subjects and "life adjustment" training have crowded out the subjects which make an educated person. And another thing we must consider is that these Russian students have *all* had the training in science we have described. Even in the American high schools that offer physics and chemistry, biology and mathematics, it would be the rare student who would take all the subjects. In fact, a shockingly small percentage take more than one or two.

Q So you think Russians are better educated in science and mathematics than American youngsters. Does the same thing hold for the social sciences and the humanities?

A No, there is little or nothing to compare with our social sciences or social studies in the Russian 10-year school. History and government are used as a means of indoctrination in the Marxist-Leninist dogma. Even languages and literature, which are taught in a rather old-fashioned way from the pedagogical point of view, are used as powerful tools of indoctrination.

Q Do they teach geography?

A They do teach geography—six years of it.

Q Do they teach geography with Russia as the center of the world—

A This is natural, perhaps. They also try to develop in the pupils many of the homely virtues that are desirable in any society. This is admirable. But in Russia they also try to develop love for the Communist Party, love for the party leaders and an unquestioning obedience.

Q Do they teach them how to be regimented?

A They try to teach them to be good, disciplined citizens who will do their duty and carry out their work as told.

Q Just how much of the Soviet teaching is propaganda?

A You can say that almost all of their nonscience courses are laden with propaganda. Even their language courses are used for indoctrination.

Q How do they use language teaching for propaganda?

A As an example, let's take an English text which we saw. It had an exercise which read as follows:

> "Not all children in capitalist countries can go to school. Many parents are too poor to send their children there. Often children do not like school, because in some countries teachers still beat the children. Sometimes teachers hate their work and hate the children they must teach. The children feel this, of course, and they do not try to learn. They simply do not like their lessons. They like holidays better than school days."

This passage has added significance when you read part of the preceding page, which runs as follows:

> "All Soviet children like very much to go back to school in September after the summer holidays."
>
> And so on.

On another page, the pupils learn in English that everything is fine in the U.S.S.R.—that the collective farmers are very happy, growing a long list of foods for the city dwellers who, in turn, joyfully make machines, tractors, clothes, boots, and countless other items which the collective farmers need. Reading farther, the pupil learns that things are not like that in the United States, for the mill owners "in the United States exploit the workers, especially the Negro workers. They teach the white people to hate the colored workers." And so on.

STILL NOT "WELL EDUCATED"—

Q Then, even with all the science and mathematics that he is taught, would you say that the Russian is really well educated, on the whole?

A No, for much of the remainder of the curriculum is concerned with indoctrination. The Russian student doesn't have the broad general sort of education that we like to think our students get here. Certainly in comparison with the graduates of the English "public schools" or the Scandinavian "Gymnasia," they are poorly educated.

Q Is it difficult for a Russian to get into a university?

A Yes, it's much more difficult than here. We were told that about 40 per cent of the 10-year-school graduates are able to find places in some type of higher educational institution.

Q And they take women as well as men?

A Oh, yes. In fact a high percentage of students in all subjects—even in science and engineering—are women.

Q Did you gather that every Russian boy or girl wants to go to college?

A There is a tremendous drive for education in Russia, far more than you find in America. Their whole society is structured to encourage a boy or girl to climb as high on the educational ladder as he or she is capable of. As

—Sovfoto

UNIVERSITY OF MOSCOW—"AT THE NEW CAMPUS, 9,000 SCIENCE STUDENTS"

a result, very little talent is wasted. In this country, on the other hand, only half of the young people with an intelligence above that of an average college graduate receive a college education.

Q Does the Soviet Government have a finger on the student all the time he is in school? Or is he pretty much a free agent?

A The student is not a free agent. He's required to attend lectures and his studies are, in a very real sense, his job. When he graduates, he is allocated to a regular job for a three-year period.

Q Who does that allocation?

A The allocation is done by a commission at his school.

Q Does the student have much choice, or does he go where he is told to go?

A They try to give a student as much choice as they can. Of course, the best students will have more choice than the poorer. The very best students are likely to remain at the school to receive advanced training and may ultimately become teachers there themselves. On the other hand, the poorer students, in the end, may have to go where they are sent. But, since there are usually more jobs than graduates, even the poorer students are usually left some choice.

Q Do the students seem to be convinced Communists?

A The students seemed to be the most thoroughly indoctrinated group that we encountered in Russia. They seem perfectly sincere, but one can't judge how deep this sincerity goes without being a Russian student oneself.

Q They are a favored group, aren't they?

A Yes, they are favored and continue to be favored by the regime after graduation. If they are successful academically, their futures are assured. In fact, it's difficult for them to comprehend that students here aren't assigned jobs and don't know what they are going to do for a living. They think there must be something peculiar about a society that lets a student graduate from a university and have to go out and find a job for himself. Having been paid, as it were, to go through college, Soviet students feel that it is quite appropriate for them to be assigned jobs for three years in order to satisfy their obligations to the state.

Q Do the students know much about America? Or do they have distorted ideas of what it is like here?

A They don't seem to be uninformed. They are simply misinformed. Their views about the United States are more appropriate to an America of 50 years ago. They gather their ideas, of course, from the stereotypes presented in their newspapers, movies, theaters and literature. They will have read appropriate selections from O. Henry, Jack London, Theodore Dreiser, John Steinbeck and Upton Sinclair "proving" that conditions in America are very bad, indeed.

Q Are they taught in civics or government that there is any other type of government than their own monolithic system? Are they given any introduction to the democratic form of government?

(Continued on next page)

. . . "Of teaching staff, 30 to 40 per cent are party members"

A Any discussion of Western governments is from the Marxian point of view, which treats democracy as a sham and a cloak for class rule. Although all Soviet youth are exposed to a course on the unique virtues of their own constitution, they are woefully ignorant of how their own system actually functions. We told one that he might learn a great deal more about how the police state functions from some American books on the subject. He said, "Why don't you send me a book on this?" We asked if he really wanted us to. After considering a moment, he said, "You'd better not. I might learn about the police state first hand."

Q He knew what a police state meant, at least—

A Yes.

U. S. "AGGRESSION" FEARED—

Q Are students informed generally on international affairs?

A They have a firm grasp of the current party line and are all rather anxious about America's aggressive intentions. They assured us they aren't worried about the American people—it is the Government they are afraid of. They believe that our Government is controlled by Wall Street capitalists who have a personal interest in promoting a war. They point to our bases encircling Russia as proof of our aggressive intentions, and asked us how we would feel if Russia had jet bombers based in Mexico. There's really no ready answer to this.

Actually, there's a disturbing symmetry in the Russian image of the United States and our image of Russia. The Russians express no fear of the intentions of the American people. Similarly, we do not fear the Soviet people. It is their Government, driven on a course of world-wide expansion by a ruthless group of party leaders, which we fear. Unfortunately, this image of their Government looks as distorted to them as their picture of our Government looks to us.

After talking with students and others about international affairs, we began to appreciate the tremendous difficulty in dealing with the Russians at any level, low or high, whether it be on the streets of Kharkov or in the conference rooms of Geneva, because there is really no common ground where we can meet—no common language in which to speak. The two images, or visions, of the world are diametrically opposed and incompatible.

Q How big a part does the Communist Party play in running the schools? Are most school heads party members?

A The majority of the rectors heading the universities are good party men, but they are also scientists and scholars. The rector of Leningrad University, Alexandrov, is an outstanding mathematician with a world-wide reputation. A few of the rectors, like Petrovski at Moscow University, are non-party men. When you get down to the pedagogic-institute level, the rector is more likely to be a political type, more like the type who is the head of a State teachers college here in the United States.

Q What percentage of the teaching staff seems to be party members?

A We inquired about that specifically at the University of Rostov, but the secretary of the party committee hesitated to give us the exact figure. It seemed to be around 30 to 40 per cent.

Q What percentage of Soviet students are members of the Communist Party?

A It depends on the institution. At Moscow University we were told it is about 3 per cent. However, most of the students belong to the Komsomol [Young Communist League], whose members are between the ages of 14 and 26. The party does not admit members younger than 18, hence, it is natural to find most of the students members of the Komsomol rather than the party.

Q You mentioned the indoctrination of students with propaganda. What are other weaknesses of the Soviet school system?

A The uniformity and lack of flexibility in the system constitutes both a strength and a weakness. All of the technical institutes of the same type, or belonging to the same ministry, have the same curriculum.

This enforces a uniformity of standards which is lacking in this country, where quality falls off rather drastically from the better engineering colleges to the weaker. On the other hand, this uniformity discourages experimentation and the development of new approaches to teaching.

One of the strengths of our educational system is that new ideas can be tried out. Those which prove themselves in practice will be imitated and will spread from institution to institution. In Russia, initiative of this sort can come only from the top.

Q The whole curriculum, then, is prescribed—doesn't the professor resent these restrictions and controls?

A Some of the professors feel constrained by this system, but most of them, having grown up under it, don't resent it. In practice, the professor is able to teach his course in his own way—disagreeing with the approved texts if he wishes—emphasizing this point or that. He must, nevertheless, cover all the prescribed subject matter. The higher the level of the course, the greater the areas of freedom left the professor. However, if a professor becomes convinced of the desirability of a major change, such as a change in the curriculum, he may meet exasperating obstacles.

WHY BUILDINGS ARE POOR—

Q By all reports, including yours, buildings are badly constructed in Russia. What explains the fact that with all these well-educated engineers you have such poor construction and so much evidence of lack of competent engineering direction?

A I think that there are three basic reasons for that. The first is the history of their educational system. During the '20s, when there were many wild experiments inaugurated, it was all they could do to hold their educational system together. Also, there was discrimination and worse against the old professors who were not considered politically reliable. Then, during the early and mid-'30s, they began mass-producing engineers without giving them adequate training.

When things began to improve in the late '30s, the war came along and disrupted the situation again. It has been only in the postwar period that they've placed their engineering and scientific training on a solid footing.

So that it is the current engineers, the ones we have been talking about, who will produce the—

Q So that this fine engineering education is all a new thing—

A Yes. The beginnings were made in the '30s, but it has

(Continued on page 100)

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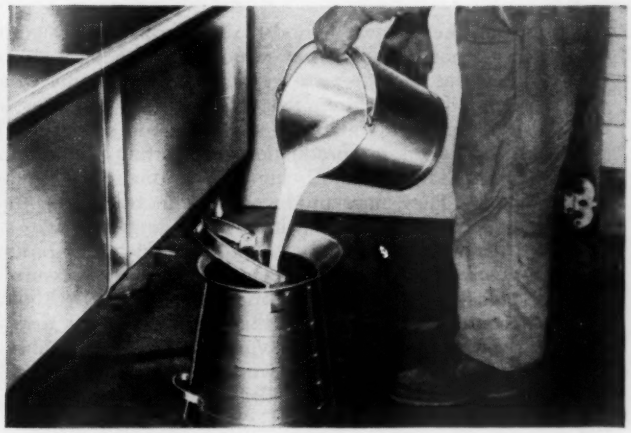

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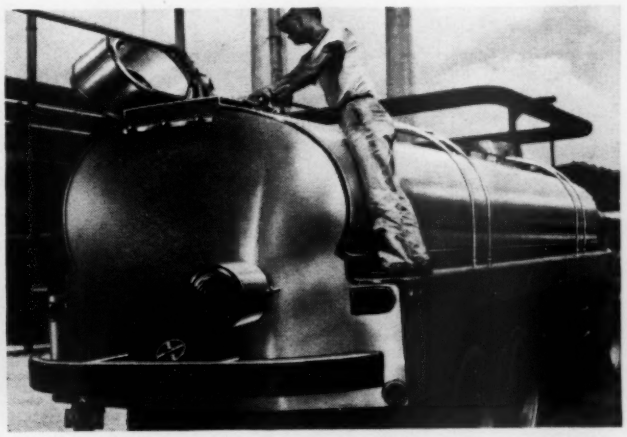

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. . . "University is most impressive anywhere in the world"

been only in the postwar period that they have really gotten under way. Another factor that accounts for the gap between the training the engineers are getting and the results which one observes is the environment in which the engineer has to work. In Russia, a country of shortages and scarcities, the emphasis has been on production, on getting the product out without great attention being paid to quality or product development. They may produce a single tractor or truck model for 10 or more years without changing it.

In this country, on the other hand, with plenty of production and strong competition, there is constant pressure to change the product—to develop new products. Another factor accounting for the gap is that an engineer has to work with the people and materials available. He may be able to design a good building, but the workers who build that building may not be able to put his ideas into the shape which he would like to see.

—United Press

RUSSIAN GIRLS LEARN ABOUT NUMBERS
"In 10 years, mathematics from start to finish"

Q They may not have the skilled workers, in other words—

A Right. The quality of the industrial labor force has improved markedly since the early '30s, but Russia has a long way to go before it will be possible to translate into practice the technical excellence of which their engineers are capable.

They show what they are capable of in their high-priority industries, such as aviation and armaments. When highly trained engineers and skilled workers are available in the necessary numbers throughout the whole economy, then there will be not just first-class armaments, but also better-quality construction and consumer goods.

Q Were you impressed by the University of Moscow?

A Yes, we were greatly impressed, not only by the magnificent new buildings, which house the science faculties, but also by the quality of work insofar as we were able to observe it.

Q Where is the new university located?

A Part of the university work is still carried on in the old buildings in the center of Moscow, opposite the Kremlin. The new university buildings, in which the science faculties are housed, are on the southern outskirts, in an area once known as Sparrow Hills—now renamed Lenin Hills.

It is a commanding location, looking out over the valley of the Moscow River. Old houses and other buildings over a wide area have all been removed and several hundred acres have been landscaped as a setting for the university buildings and the laboratories of the associated research institutes of the Academy of Sciences. There will be parks and a modern residential area for 1.5 million people.

Q What impressed you about the plant itself?

A The magnitude of the plant, which is the most impressive we have seen anywhere in the world, and the equipment we saw. For example, in the department of economic geography, where one doesn't ordinarily expect to find very much in the way of apparatus, we found splendid equipment used for photogrammetric map making. Much to our surprise, we found the twin of the best photogrammetric instrument we had previously seen, which was at the United States Geological Survey Office, in Denver, last summer—the Soviet instrument didn't have any fancy cover or seem to be petted as are similar instruments elsewhere. It was just standing there in the room for the use of the students.

6,000 STUDENT ROOMS—

Q Do they have dormitories? Did you see how the students live?

A The University of Moscow is their show institution, and, in addition to that, it is their top university and so draws students from all parts of the Soviet Union and abroad. In wings of the main building, there are 6,000 individual rooms for students, one student to a room, each two rooms provided with private bath and telephone. But even these 6,000 rooms turned out to be insufficient, so there is some doubling up at present in some of the larger rooms.

Q Do faculty members also live in the building?

A Yes, some of them. There are 184 apartments for professors and their families.

Q Is all of this in one big building?

A Yes. The new university consists of one enormous central building with several equally enormous wings. Behind it on one side there is a very large physics building, and mirroring it on the other side is another for chemistry. In addition, there is a cluster of biological-science buildings.

Q Is this typical, or is the University of Moscow the exception?

A Very much the exception—there is nothing like it anywhere else. At other universities, however, they are expanding and improving the facilities.

Q How many foreign students do they have at Moscow University?

A They have several hundred students from the satellite countries and from China. In all, 64 nationalities are represented.

Q Any from non-Communist countries?

A We know of only two.

Q How large is the student body?

A At the new university campus, there are 9,000 science students, and in the old university, where the social sciences

(Continued on page 102)

(Advertisement)

NEW YORK CENTRAL SYSTEM

A. E. PERLMAN
PRESIDENT

September 10, 1955

TO OUR PASSENGERS AND SHIPPERS

In the New York Central Railroad our product is service. In marketing that service, we recognize the importance of gearing our transportation facilities more directly to the needs of shippers and passengers.

A new department -- Customer-Service Relations -- has been established to centralize the organized study of proposals for improving our freight and passenger service. It will co-ordinate at the top management level, the study and analysis of what our customers and potential customers want in the way of New York Central service.

The Customer-Service Relations Department is prepared to study all phases of our operations as they relate to an industry as a whole; to multi-plant or individual plants; to business firms; to trade, business and professional associations; to conventions ; to our suppliers; to individual families and to other groups.

Since the Customer-Service Relations Department is not tied down with the day-to-day duties of running the railroad, its full time is devoted to tailoring New York Central Service to the needs of those who buy it.

In the passenger field, so long in a period of contraction, radically new, more modern and economical equipment should soon enable us to offer more frequent and comfortable service.

If you have any problems involving freight or passenger transportation between the East and Midwest; if you have any suggestions for gearing the service of the Central to make it more attractive to our shippers and passengers -- our Customer-Service Relations Department will be glad to receive them.

New York Central policy is to render good service. Where subsidy of competitors, taxation and other factors beyond its control make good service uneconomic or impossible, our policy will be to discontinue service. A free economy and a virile management can no more tolerate poor service than our customers can.

Alfred E. Perlman

. . . "They put in 50 per cent more hours than U. S. students"

and humanities are taught, there are 7,000. In addition, there are 5,000 correspondence students.

Q Where do students live, as a rule—at home or in dormitories?

A At most universities, a high proportion of the students are living with their families. The rest live in dormitories or in rooms scattered through the city.

Q Do they have fraternities?

A No, nothing like our fraternities. In the dormitories of Moscow University, the students are grouped according to their faculty, and even according to the specialty within the faculty and their year of training. There is no separate dormitory for girls. The men and women live in the same corridor.

Q What do they do in their spare time?

A For the limited amount of spare time a student has, there are a number of outlets. He may go to the movies or theater, or take part in one of the club activities, such as drama, chess, photography, etc. In addition, there are sports activities.

Q Do they have college teams, as in the U. S.?

A They have teams organized by faculties for intramural competition—the historians vs. the chemists, for example. But they don't have the highly developed intercollegiate competition that we have in this country. It's largely local.

Q What sports do they engage in?

A Soccer is one of the principal competitive sports.

"CAREERS" IN SPORTS—

Q They must play quite a bit of basketball, the way they showed up at the 1952 Olympics in basketball—

A Those probably weren't college boys. You won't find many bona fide Russian students on their Olympic teams. Sports are a full-time job for their top athletes.

Q Is there any college spirit, any "dear old Moscow"?

A There is a certain amount of pride, but if there are any cheers, they are more likely to be for Khrushchev and the party.

Q How is the Soviet higher-education system organized?

A Their higher education is carried on by several different types of institutions. They have their universities—33 of these—which provide training in the natural sciences, the social sciences and the humanities. Then there are over 800 institutions which give specialized higher training of various types.

Q What areas of study would a university cover?

A A typical large university would be Kharkov University. It has nine divisions, or "faculties"—physics and mathematics, chemistry, biology, geology, geography, history, economics, philology, and Germanic and romance languages. The list will vary among the 33 universities—most will have fewer faculties.

Q Do they have engineering schools, as such, like ours?

A There are about 800 technical institutes in the U.S.S.R., of which nearly 200 are the equivalent of our engineering colleges. Of these, 24 are polytechnic institutes, similar to MIT [Massachusetts Institute of Technology] or Caltech [California Institute of Technology], giving training in half a dozen or more branches of engineering. The other engineering institutes are devoted to approximately 24 different specialties. For example, there are 17 for construction engineering, 15 for railroad engineering, 15 for mining, 7 for aviation, and so forth.

Q How good are the engineers out of these technical institutes?

A Our impression is that the engineering education is quite good on the whole. They start with a better foundation as a result of the science training they received in the 10-year school. Then, in the polytechnic institutes, which are less specialized than those under the industrial ministries, the students receive a very good foundation in mathematics, physics and chemistry. In the middle of their third year, they start specializing in some branch of engineering.

Q Isn't that similar to our schools?

A It is similar, but the foundation is broader and the specialization in the last two years is narrower than is typical in our schools. The total program lasts five and a half years. The last year of the 10-year school, plus the first three and a half years of the institute, cover about the same subject matter as an American engineering student gets in his four-year program. Then the last two years of narrowly specialized training which the Soviet engineer received in the institute can be compared with the on-the-job training which an American engineer gets after graduation. Altogether, they put in about 50 per cent more hours than our students.

Q The Europeans have always been strong in pure science. Are the Russians strong in this?

A The Russians have made notable contributions to science. There is an excellent tradition, but some sciences, such as genetics, have been severely damaged by the Soviets. However, good work is now being done in a wide range of fields.

Q How are Soviet scientists trained?

A The Russian scientist begins his training in the university. It must be remembered that the Russian entering the university has a much better preparation in science than the corresponding student entering an American university. He then spends five years in the university, the first two years of which in a given faculty will be uniform for all students. In his third year, he will begin to specialize and will spend half of the last year on a thesis project.

So, he will graduate with a training in science roughly equivalent to that represented by the master's degree in this country. If he goes further than that, he may receive graduate training in the university or at a research institute. In either case, he will get a good foundation in his field, plus a great deal of experience in research under competent leaders and with adequate equipment.

RESEARCH, THERE AND HERE—

Q Did you feel the Russians had an appreciation of the value of pure research?

A Yes, very definitely. Perhaps a better appreciation than our own. Although we are spending in excess of 4 billion dollars a year on research in this country, this represents only a little more than 1 per cent of our GNP [gross national product]. This is pitifully small when one considers that a major part of the growth of GNP in the past 50 years has been the direct result of research. The situation becomes still more grotesque when we consider that less than 10 per cent of the research expenditures are devoted to fundamental research. It is vitally important that the National Science Foundation and other American organizations supporting and promoting fundamental research have their budgets increased.

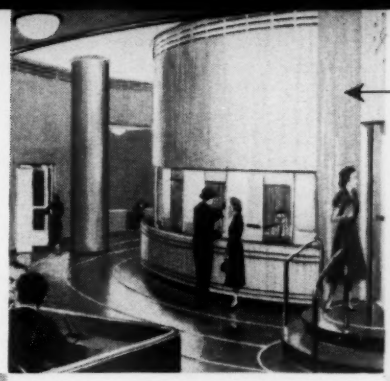
(Continued on page 104)

Serving Many Different Industries
in many different ways

These brief reports indicate the many diversified businesses and industries which Ebasco assists with a wide range of services

AUTOMOTIVE

- Assumed responsibility for complete organization survey for leading manufacturer—from purchasing through design, production, assembly, sales and management.
- Recommended ways to reduce costs, increase efficiency, boost production and sales.

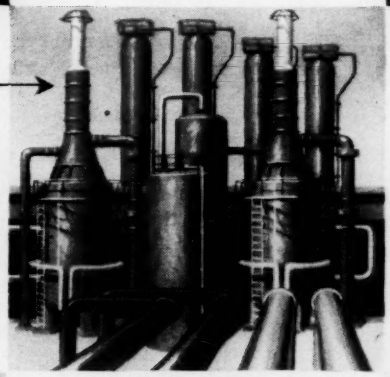


BANKING

- Conducted study of a business which was vital in assisting a New York bank to make an important decision.
- Planned expansion of facilities for Southern bank.
- Made an organization and management study for a major urban bank.

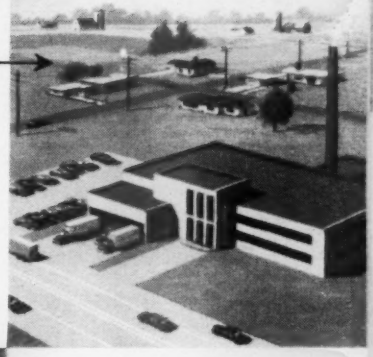
CHEMICALS

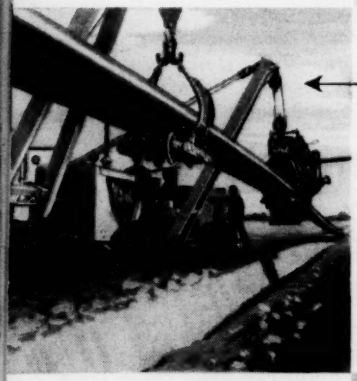
- Made detailed study of potential market for a new product of a manufacturer.
- Made appraisal of equipment and plant for a Southwestern firm.
- Developed a comprehensive group insurance program for a dye works.



FOOD

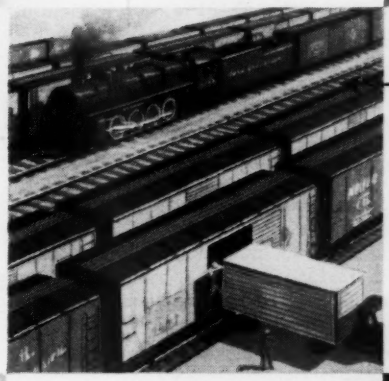
- Developed a comprehensive insurance program for a Florida orange juice processor.
- Made a job evaluation study for a quality baking company.
- Prepared a detailed space planning study for a large syrup producer.





PIPELINES

- Conducted economic study and assisted in the financing of a proposed crude oil pipe line and a refined petroleum products pipe line.
- Performed general consulting, engineering, insurance and space planning services for a large Southwestern company.



RAILROADS

- Prepared management development program for a large Eastern road.
- Made economic and financial study of a Midwestern road's properties.
- Analyzed and made recommendations for revamping of a company's accounting systems and methods.

FROM A TO Z

Here is a partial list of the large and small businesses and industries which have made use of Ebasco's wide range of services.

Airlines	Newspaper Pubg.
Banking	Oil
Chemical	Pulp and Paper
Dept. Stores	Quartz and Glass
Exporting	Railroads
Food	Steamship Lines
Garment Mfg.	Textile Mfg.
Hotels	Utilities
Investment Firms	Valve and Pipe Mfg.
Jobbing	Wire and Cable Mfg.
Kraft Pulp Mills	X-Ray Equipment Mfg
Lumber	Yarn and Fiber Mfg.
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1905 *Fiftieth Anniversary* 1955

ENGINEERS · CONSTRUCTORS

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BUSINESS CONSULTANTS

. . . "We saw no students in uniform"

Q Are there great industrial research laboratories in Russia comparable to the Bell Telephone Laboratories? Or is research largely concentrated in the universities?

A Much of the basic research work in science is done in the universities and technical institutes. The remainder is done largely in the research institutes of the Academy of Sciences. They really have nothing comparable to the Bell or General Electric labs.

Q Do Soviet scientists have access to Western scientific literature?

A Yes. They have very effectively organized the translation and abstracting of all foreign scientific and technical journals. Also, many journals are to be found in the reading rooms and on the shelves of the university and institute libraries.

Q Would you consider that a type of spying?

A No. It is simply the sort of interchange which one would expect to exist throughout a normal world.

Q We don't get anything from them, do we, or very little?

A On the contrary, we now get a flood of their scientific and technical journals. The trouble is there are very few Americans who read Russian and as yet we have no large-scale abstracting of their scientific journals. The program of abstracting and translating Russian journals is just beginning in this country.

Q And they do publish quite a bit?

A Yes. For example, they have half a dozen excellent journals in physics with contributions on a level with the work being done in the West. We have no way of knowing, however, how much is withheld from publication.

IDEOLOGY VS. SCIENCE—

Q Under Stalin the Russians seemed to put ideology before basic scientific facts. Men like Lysenko had crazy ideas about genetics, for instance. Is the party still trying to tell scientists what to think?

A Lysenko is no longer the dictator in biology he once was. The Soviets have not hesitated to break the tin gods they have set up when practical considerations demand it. Although we don't want to minimize the strangling effect of ideology on free inquiry over the past 25 years, there is a difference between the impact of ideology on the physical sciences and mathematics, and on some of the biological sciences and, in particular, the social sciences, where the impact has been crippling. In physics and mathematics there is very little evidence of party dictation.

Q Haven't the Russians always been pretty good in theoretical science?

A Yes, they have, and they are now doing good work in pure and applied mathematics and in physics. Kapitsa, Skobeltsin, Foch, Landau, Ivanenko, Tamm, Alexandrov, and others, all have international reputations.

Q Did you get a chance to visit any of their research institutes?

A No, we were unable to arrange visits to these institutes.

Q About how many of them do they have?

A In the physical-mathematical section of the Academy, there are a half-dozen research institutes of which one of the best known is the Institute of Physical Problems, established for Peter Kapitsa in 1935. It is of interest that in connection with the new buildings of the University of Moscow, along one of the streets approaching the university there will be built 13 research institutes. Their work will be closely correlated with the scientific work in the university, with a great deal of overlapping of the staffs.

Q Do the best students go into teaching, research or industry?

A The best science students go into research or continue academic work and eventually become teachers in universities or institutes. Other science students are likely to be directed into industry. The students graduating from the university in the humanities and the social sciences are likely to go into teaching.

Q What about the salaries of teachers—are they comparable with those of other professions?

A In the cities they start slightly above the average wage for a worker, and then rise according to length of service. The teacher is required to teach only 18 hours a week, but some of them teach additional hours, with increase of income. As a result, the income of an experienced teacher is likely to be equivalent to that of a skilled worker.

Q How would it compare with that of a doctor?

A It would be roughly comparable to that of a doctor, which is quite in contrast with income differentials in this country, where a doctor would typically earn three times as much as a high-school teacher. The Soviet doctor is underpaid by our standards.

Q Are the teachers mostly men, or are some of them women?

A The majority are women, just as in our own country. For example, in the pedagogic institute in Rostov, 80 per cent of the students training to become physics teachers were women.

Q What would a professor get in the way of income?

A A professor who is also head of a department receives a salary of 6,000 rubles a month [$1,500 at the official rate of exchange], which is approximately four times the salary of an experienced and hard-working high-school teacher. This may be supplemented by income from additional teaching or research and from publications.

Q So that the academic achievement is recognized with a pretty good salary?

A Yes, it definitely is. A professor can afford such comforts as the Soviet system offers. He may have additional housing space and can easily own an automobile. Here he is limited only by the fact that unless he is in one of the major centers, he won't find many roads on which to drive his car.

STUDENTS AND THE DRAFT—

Q Do Soviet students receive military training?

A In all the curricula we looked at there was no mention of military training. But they do receive military drill and training—we know that.

Q In what way?

A Each week they have several hours—

Q In regular uniformed units?

A We saw no students in uniform—we don't really know.

Q They have conscription, though—

A Yes. Boys are eligible for draft at 18. However, if they have been accepted at a higher educational institution, they are deferred throughout their entire educational career. When they finish, they may still be deferred, depending upon their work. This is a very sensible approach.

Another view of Soviet education is given by Allen W. Dulles, Director of Central Intelligence Agency, on page 124.

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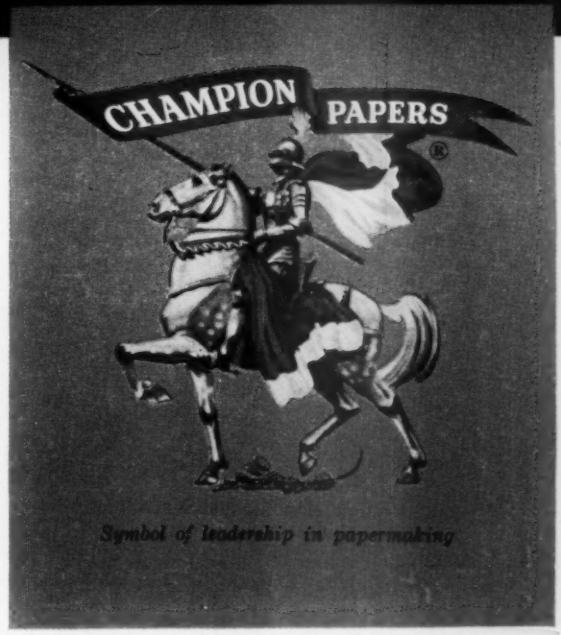

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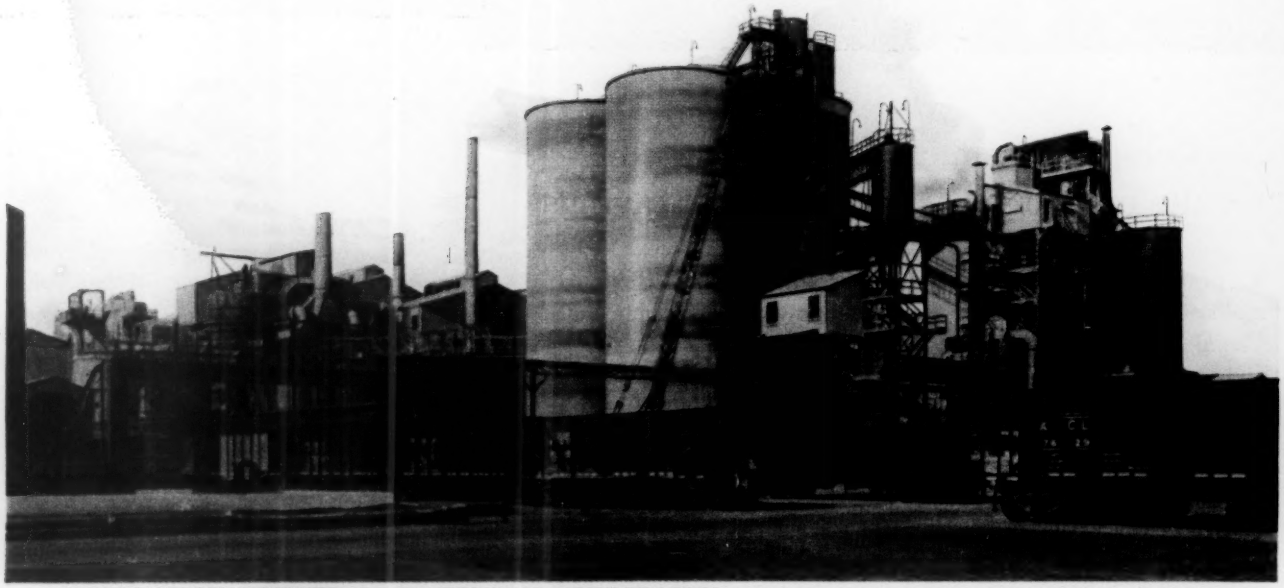


INTERNATIONAL MINERALS & CHEMICAL CORPORATION • GENERAL OFFICES: 20 NORTH WACKER DRIVE • CHICAGO 6

Is 45 Too Old to Work? Many Doors Are Shut

One of the first questions asked of a job hunter these days is: "How old are you?" It's a question that is dreaded by men and women aged 45 and over. Work, for them, is not easy to find.

President Eisenhower thinks it's time to end discrimination against older workers. Studies are cited to show that age usually is no barrier to doing a good job.

If you are 45 years of age or older, and out of a job, your chances of finding work are not nearly as good as if you were under 45. This is true at a time when the number of people 45 and over is increasing faster than the total population.

The situation is causing concern in Washington. President Eisenhower, in a Labor Day message, tells the country "we cannot afford to squander our manpower through a prejudice which obscures the values of maturity, responsibility and constancy found in older workers." Labor Secretary James P. Mitchell is campaigning to convince employers that people over 45 have many productive years ahead.

A new set of statistics shows what lies behind this concern.

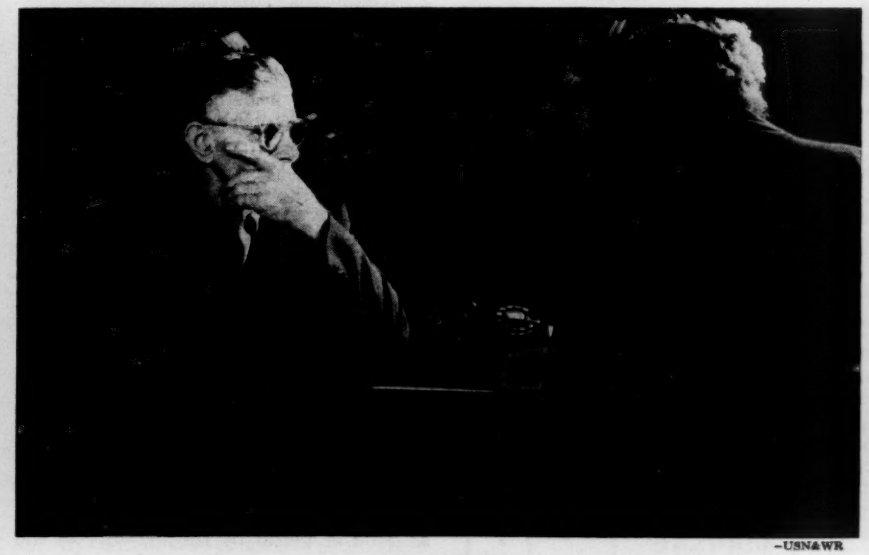
People are living longer, and, as a result, are staying longer in the job market. In 1900, newly born males had an average life expectancy of 46 years, women 48 years. Today, the average for men is 66, and for women 72.

The number of older people is increasing rapidly. There were 13.5 million persons 45 and over in 1900. By 1950, this figure had risen to 42.5 million. By 1975, there are expected to be 64 million in this age group.

But, while life expectancy is increasing, job expectancy is going down. In 1900, a male worker aged 60 could expect to live 14 more years. He would be working 11 of the 14 and in retirement the last three. In 1950, a 60-year-old worker could look forward to living 15 more years, of which nine would be spent working and six in retirement. If the trend continues, a worker age 60 in 1975 can expect to live 17 more years, eight on the job and nine in retirement.

What troubles Washington officials is that age is turning out to be a barrier to getting a job at a time when many industries are in the market for more workers, and when business generally is booming. State employment agencies report that two thirds of the jobs that employers have to offer contain age limitations.

(Continued on page 108)



—USN&WR

JOB SEEKER
. . . chances diminish after 45

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Some older workers do as well or better . . .

How good are older workers? All sorts of reasons are being advanced in an effort to break down what Secretary Mitchell calls a "growing and persistent prejudice" against hiring workers of 45 and over. Surveys are cited to show how these workers stack up in performance.

One such survey cited by the Labor Department was conducted by the National Association of Manufacturers. Questionnaires were mailed to a long list of employers, and more than 3,000 replies were received from companies hiring 2.5 million workers. In the study, an older worker was defined as a person over 45. Here are the questions, with the answers as tabulated by NAM:

Q Are older workers more prone to absenteeism?

A No. Forty-eight per cent of the companies rated older workers as having better attendance records, 49 per cent said there was no difference between older and younger workers. Only 2 per cent said younger workers had better records.

Q How does an older worker's performance compare to that of a younger worker?

A Older workers were rated better by 22 per cent of the companies, while the majority, 70 per cent, rated performance as equal between the two groups.

Q How does the older worker's rating on safety compare to that of the younger worker?

A Better safety records were reported for older workers by 32 per cent of the companies and 65 per cent said there was no difference between older and younger workers.

Q How does the older worker's attitude toward his job compare to that of the younger worker?

A Nearly half of the companies gave older workers a better rating, and half found no difference between the old and the young. Less than 1 per cent thought the older worker's attitude was poorer than that of the younger worker.

Another survey, conducted by the University of Illinois, studied 3,000 workers more than 60 years of age in retailing, office, managerial and manufacturing jobs. Again the older men came out ahead.

Older workers get better ratings on job attendance, with 66 per cent of their employers reporting less absenteeism in the older-than-60 group. In dependability, judgment, work quality and volume, and ability to get along with others, the older workers were credited with being as good or better by the majority of the employers questioned.

These surveys are cited by Adminis-

. . . Pensions make it cost more to hire an older man

tration officials to support their contention that there is little, if any, basis for discriminating against older workers. Many employers say, however, that there is a very real economic problem that will continue to work against the older person seeking employment. It revolves around the increasing prevalence of the payment of pensions to workers on retirement. These employers say you cannot escape the fact that it costs more to provide pension funds for older workers.

Just how much more it costs is shown by figures from the Department of Labor, detailing the size of the annual premium necessary to provide retirement pay of $100 a month at age 65. For a worker hired at age 30, the premium is only

SPECIAL SKILLS
. . . improved with age?

$326 a year. At age 40, the cost is up to $508 a year; at age 50, $939 a year; and at age 55, it is $1,486 a year.

But, to Secretary Mitchell, there is another side of this question. It is that money to pay for the support of these older people, if they are denied the right to work, must come from some source.

"If economic life becomes too hard for them [older people]," says Mr. Mitchell, "they will form the most potent group this nation has known and force some kind of public program for their survival. This is a possibility industry must face immediately. Will it find places for older workers and make profits from their production, or be taxed much more heavily than now in order to sustain them as nonworkers?"

(Continued on page 110)

Here, "Blind Julie" is being readied for the scrap heap not because she couldn't still operate but only because modern, more efficient models could do her job cheaper and better.

"Blind Julie" CALLS IT A DAY
...AFTER 37 YEARS CONTINUOUS SERVICE!

Nobody remembers anymore how this ancient Automatic Low-Lift Electric Industrial Truck got the nickname by which it was affectionately known for so many years. Everybody then present remembers vividly, however, the sensation "Blind Julie" created when "she" first rolled into the CHAMPION PAPER'S CAROLINA MILL one day in 1918 and took over the whole plant's materials handling chores with what was then unbelievable efficiency.

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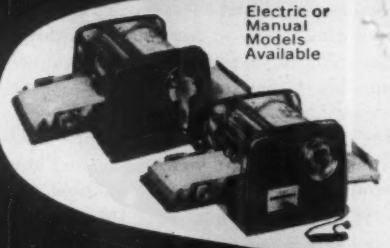

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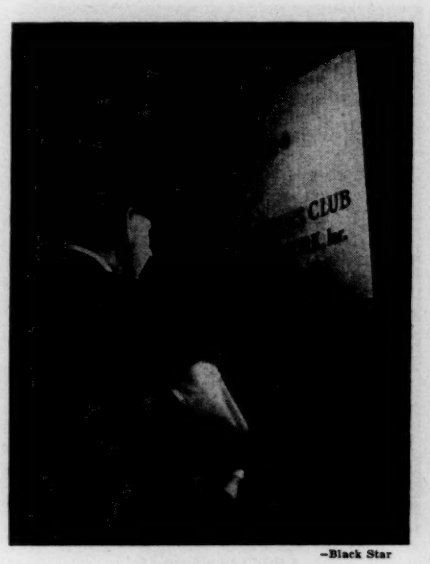
. . . Labor Secretary's view: More jobs, or higher taxes

Some idea of the cost that might be involved is found in statistics of the Social Security Administration outlining the increasing Social Security costs for non-workers 65 and over. In 1950, these costs were 1.1 billion dollars. In 1954, they rose to 3.7 billion dollars. It is estimated they will be up to 7.3 billion dollars in 1960 and 11.3 billion dollars in 1970.

The solution to the problem of the unemployed older worker, in the opinion of Labor Department officials, depends not only on employer attitudes, but also on the attitudes of the workers themselves. Most have been attached to one industry, occupation or field for a long time. When they lose a job, they think they must go back to that field. Often



—Black Star

SPECIALIZED HELP
. . . for workers over 40

jobs can be found for them in a related field if they will adjust to a somewhat different kind of work.

In several cities, unemployed older people have banded together in organizations known as "Forty Plus" clubs. These are made up of business and professional men over 40. By co-operative effort and appeals to the understanding of employers, they have been able to find positions for many of their members.

Labor Department officials feel that, with continuing high employment in the U. S., there is a good chance of progress toward a solution of the older worker's problems. If unemployment should rise, it is the older workers who are likely to suffer. Statistics on the business recessions of 1948-49 and 1953-54 show this plainly.

WHAT JOHN L. LEWIS SAYS ABOUT THE LABOR MERGER

On Sept. 4, 1955, John L. Lewis was interviewed on the Columbia Broadcasting System's television program "Face the Nation." As president of the United Mine Workers, Mr. Lewis was asked to comment on the upcoming merger of the American Federation of Labor and the Congress of Industrial Organizations. Extracts from the transcript of the interview follow:

Q: What do you think of the present merger arrangement?

Mr. Lewis: I think it is particularly unfortunate, in view of the terms of the new constitution to which they have agreed.

Q: In what way, sir?

Mr. Lewis: In that it will place in jeopardy, to the control of a small group of men in the merged organization, the sovereignty and the welfare of all the lesser unions in both groups.

Q: Well, sir, you object, then, to an increased centralization; is that it?

Mr. Lewis: I think that increased centralization in a federation composed of labor units has to retain its voluntary character, that a federation of labor unions cannot be a compulsive organization, and cannot possess arbitrary power, because of diversity of interests among specialized groups in American industry.

They cannot yield—and expect to live—their right to live to a small group of men who may decide their fate without respect to their own individual welfare.

Q: What is the compulsion, Mr. Lewis, that you speak of?

Mr. Lewis: The new organization, under the new constitution, contemplates an executive council of 29 members.

On that group will be certain members of the CIO, but in a minority, of course. And the power of that group will be so great that never at any time will a convention of the American Federation of Labor be able to upset a decision of the executive council.

Q: Well, sir, hasn't that been true of the AFL executive council for some time, even while you were on it?

Mr. Lewis: Oh, yes. And it's also true that I tried to change it.

Q: Well, as to centralized—

Mr. Lewis: I think we must maintain some of the privileges of the smaller unions, so that they won't be exposed to the whims or the caprices of the more carnivorous unions, or the slightly cannibalistic unions, of which there are some.

° ° °

Q: Mr. Lewis, two years ago you described the merger as "mere star dust," indicating that you thought it would never occur. Do you still adhere to that view, or do you think that they are close enough now where there will in fact be a merger?

Mr. Lewis: They may merge. I do not know. This discontent that exists, not only in the American Federation of Labor affiliated units but also in many of the Congress of Industrial Organization units of smaller magnitude, smaller than the Steelworkers or the Auto Workers, they may merge; but, when the strains and the stresses of the human compulsion that affects those organizations are made manifest after the merger, I greatly fear that the new merger will part like a rope of sand that it is.

Q: Will you pick up the pieces?

Mr. Lewis: I have no suggestion to make in that direction at all.

Q: Mr. Lewis, in 1952 did you not wire the late Mr. Green [AFL president] saying that the United Mine Workers would be ready to go into an immediate merger with them, in answer to his call to come home, that you were all for unity? What has happened in the meantime?

Mr. Lewis: Nothing happened to the principle; unity is good, unity is well, but it has to be made on a basis that would protect the sovereignty and the jurisdiction of the industrial-type organizations, as well as the other organizations that have justifiably proven the need for their existence.

Q: But it sounds as if what you are talking about—

Mr. Lewis: It's the articles of confederation, it's the constitution that they have adopted, it's the plenary power they invest in the hands of a few men over the lives and well-being of millions of other men, to which I object.

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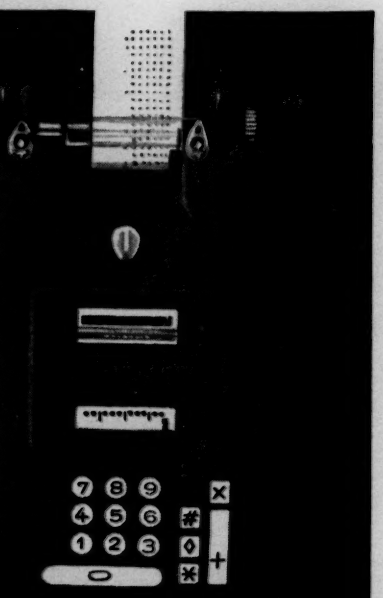

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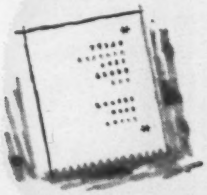

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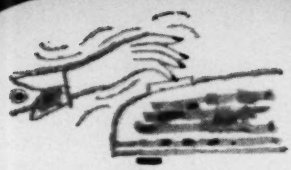

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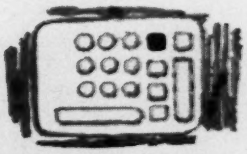

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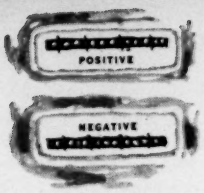

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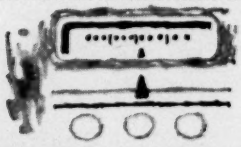

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A brand-new scholarship program--biggest in U.S. history--means more chance at a college education for many high-school students. Here's the story:

TALENT HUNT. The program--known as the National Merit Scholarship awards --sets up a means of scouring the country each year for top-level students and giving them scholarships to the colleges of their choice. This talent hunt will cover all the nation's secondary schools, public and private. It stems from the fact that--due mostly to lack of finances--about half the graduates in top-quarter ranking fail to go on to college.

Funds for the program top 21 million dollars. The sum came largely from grants by the Ford, Carnegie and Sears Roebuck Foundations. It will provide about 350 scholarships this year.

SCHOLARSHIP TESTS. Within the next two weeks--and each autumn in future years--high schools will be invited to nominate scholarship candidates. Everyone within the top 5 per cent of the year's graduating classes can be named. These students take a screening examination and the top scorers in each State get another test in eliminations that pick the national winners. Only then is the actual amount of the scholarship award for each student determined. Sums are to range from $100 to full tuition and living costs for a four-year course, depending on need.

CAR POOLS. The Internal Revenue Service settles a tax question about car pools in which one individual supplies his automobile regularly and charges the other members a share of the expenses for driving to and from work. The amount he receives, IRS says, needn't be counted as income for tax purposes. But neither can he claim a deduction for the expenses. This ruling does not apply if the car-pool arrangement can be said to be a transportation business from which a profit is derived, IRS adds.

MEN'S WEAR. You get a tip-off now about what will be popular in men's suits this season from a survey made by the Clothing Manufacturers Association. Charcoal gray is the dominant color in retailers' orders for autumn showing, with fewer of the lighter shades than a year ago and a corresponding increase in dark browns. Preference in fabric materials shows little change from last year --sharkskins, gabardines, all-wool flannels and fancy mixed worsteds predominating. Favored suit style this year is the so-called semidrape model, though

(over)

the padless, "natural" style of shoulder is increasing in popularity. Retailers' lines also include more three-button models in single-breasted suits.

MILITARY OBLIGATION. Questions crop up about the differing periods of military obligation for youths who have been drafted. This to help answer them:

Under the old law, the total obligation was eight years--usually two on active duty and the rest in the Reserves. Under the new law, the total is only six. But youths drafted since the new law went into effect last August 9 must join an active Reserve unit after their two years' regular service is over. That means weekly Reserve drills and summer camps. Youths drafted under the old law have a longer Reserve obligation but aren't compelled to attend drills.

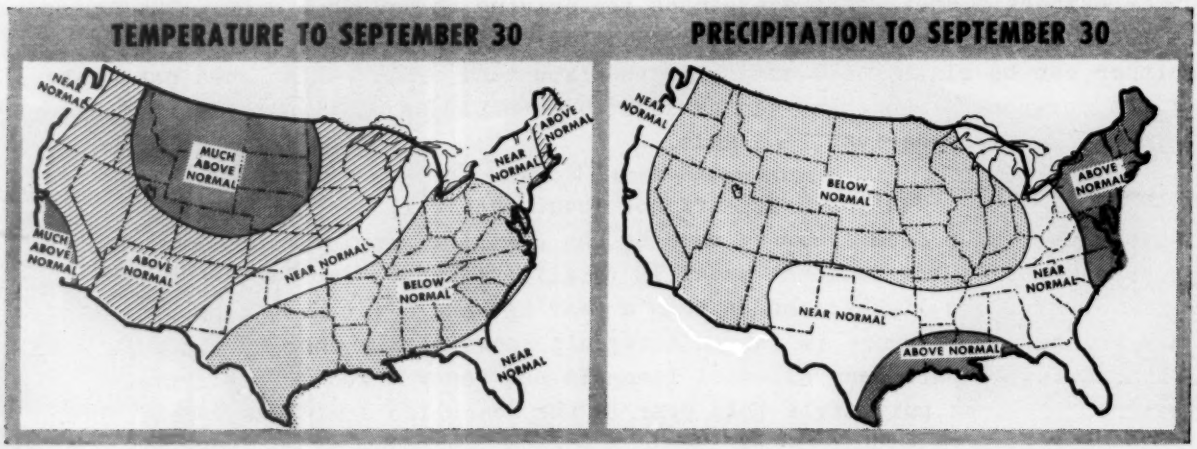
BUDGET BOOKLET. The Budget Bureau brings out a popularized, 16-page version of the huge volume covering the Government's annual fiscal affairs. It highlights what the Government is doing, how much it costs, where the money comes from. The title is: "Your Federal Budget." Cost, 10 cents. From the Government Printing Office, Washington 25, D.C.

CHILDREN'S SHOES. Children outgrow shoes quickly; you'd best check the fit at least once every six weeks for the first three months after you buy the shoes, a publication of the American Medical Association suggests. From then on, checks every two weeks are advisable. Signs of shoes being outgrown: Tightness across toe, wrinkling of leather, bulging of forepart, sagging at heel.

A shoe-industry association advises buying shoes in the afternoon--feet swell during the course of the day. Stand up when trying on shoes; your weight can make your foot a half size larger. Be sure the heel fits snugly. When you get a comfortable fit, note the number of the shoe last; it can help you get the same fit the next time you buy new footwear, the association adds.

POST-OFFICE PENS. Those jokes about scratchy post-office pens are likely to become as out-of-date as the dodo. Reason: The Post Office Department is putting new ball-point pens in 75 more offices as an experiment. It may, in time, install them--chained to desks--in all its buildings.

WEATHER. Continued above-normal temperatures for the heat-plagued West Coast shows in the Weather Bureau outlook on which these maps are based.



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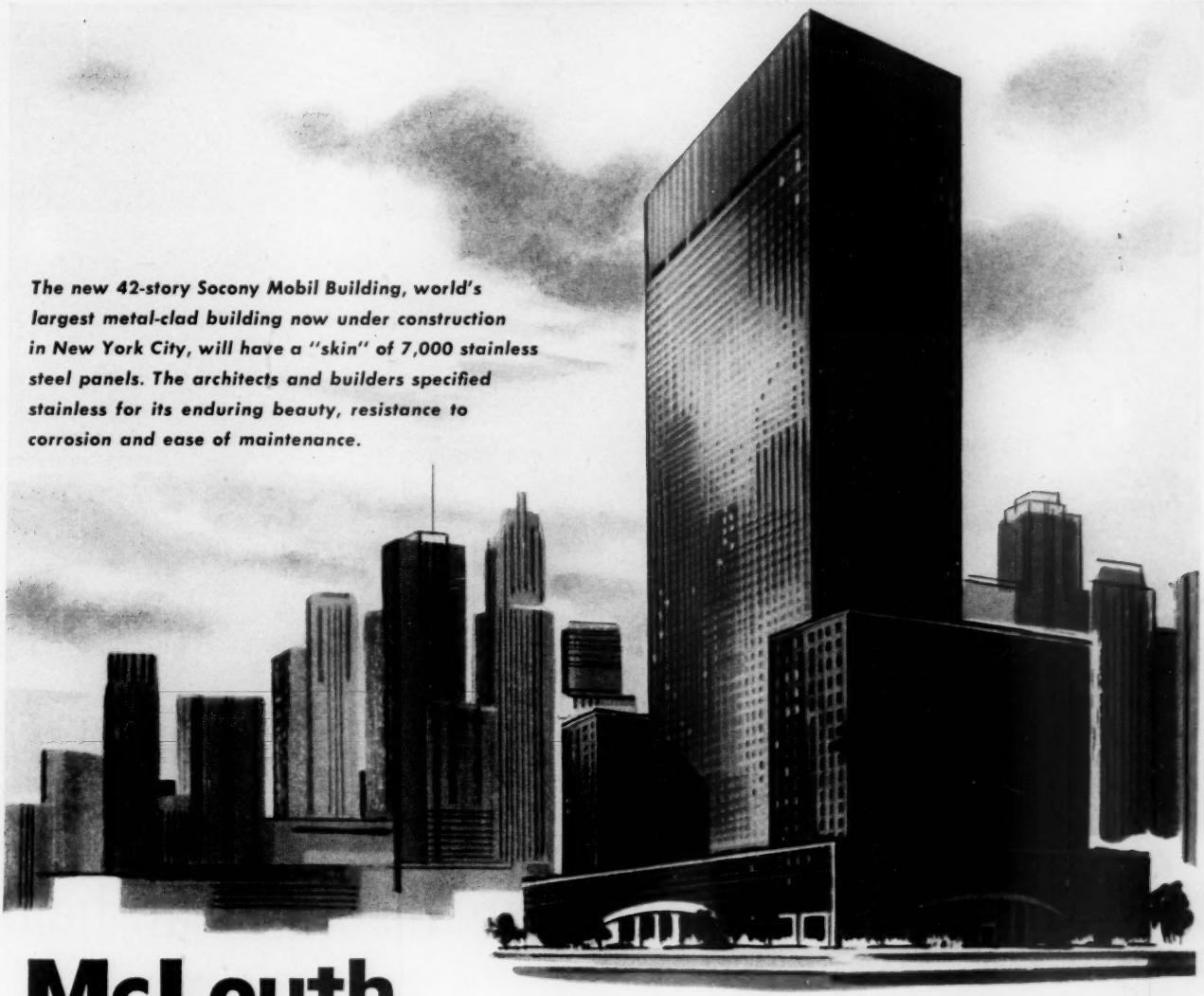

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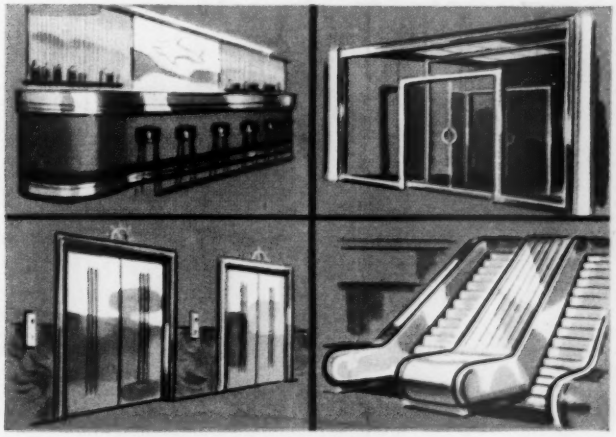

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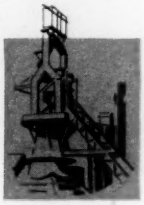

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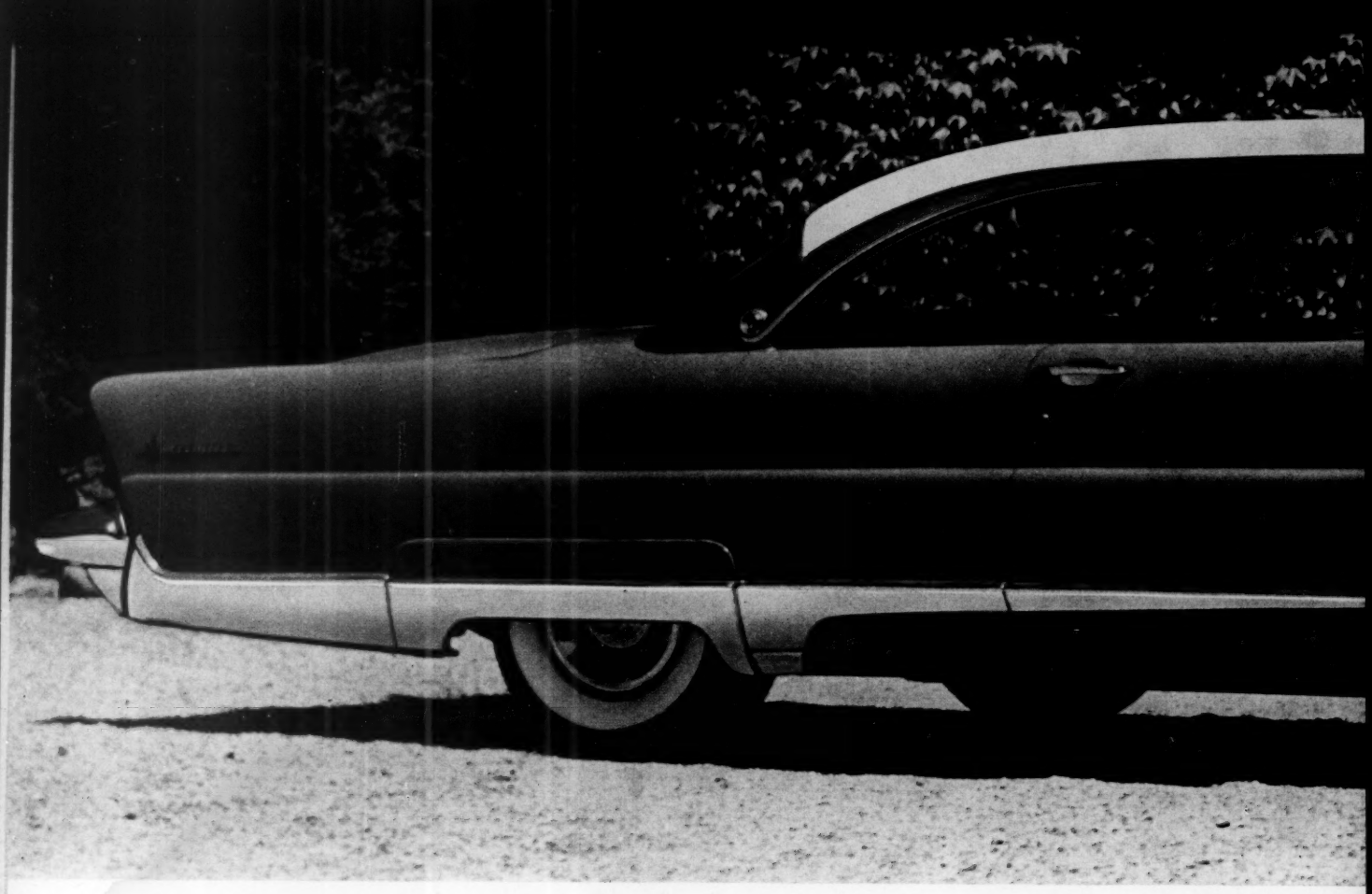

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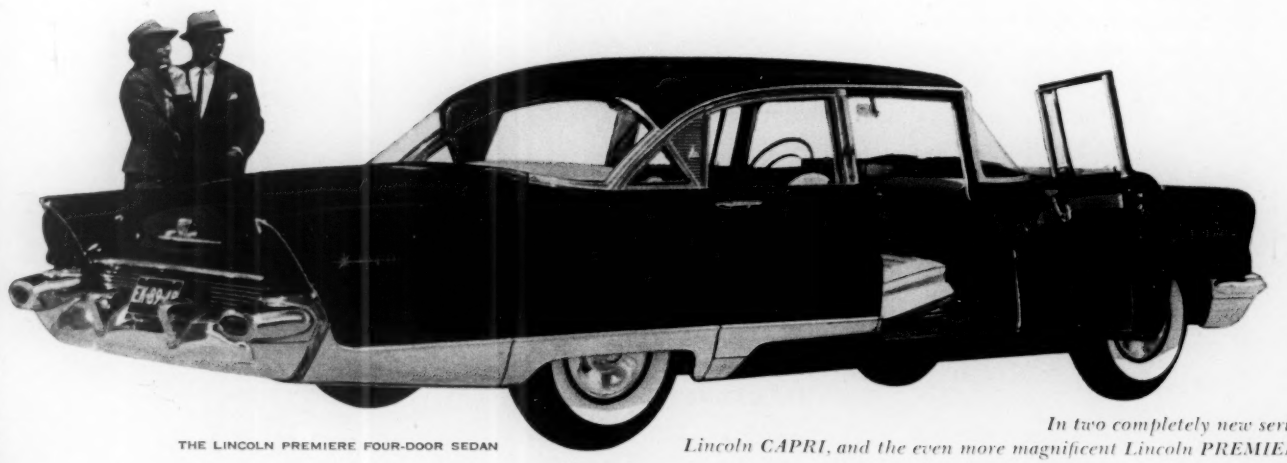

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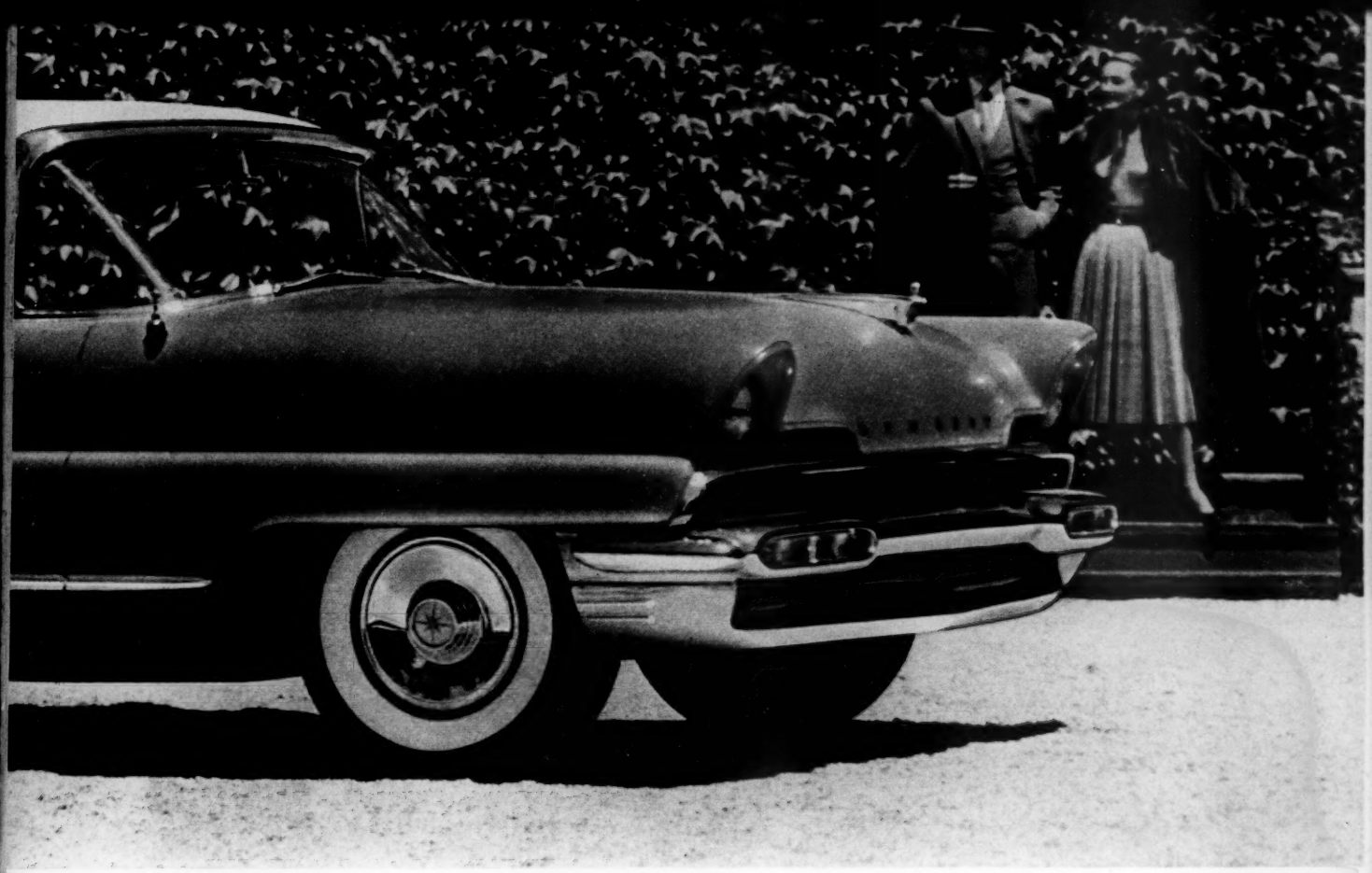

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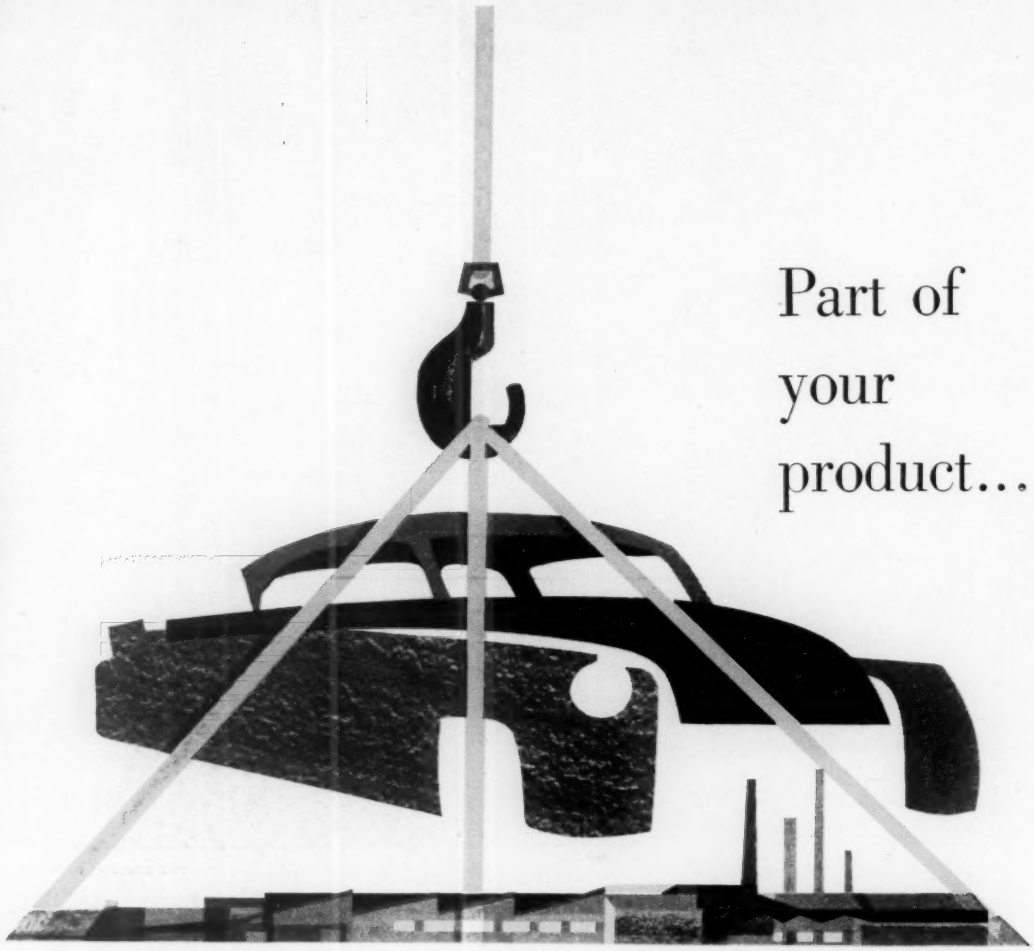

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Vice President Nixon gave his answers to some of these questions at a recent press conference in Denver.

Before the conference, Mr. Nixon had an hour-long chat with President Eisenhower.

The Vice President, in his talk with newsmen, covered the entire field of politics.

Here is the question-and-answer story of Mr. Nixon's ideas of what is to happen.

Following are extracts from the press conference held by Vice President Richard M. Nixon in Denver on Sept. 5, 1955:

Q Do you expect President Eisenhower to run in 1956?

Mr. Nixon: Of course, that's a question that I have been asked quite often in the last few months. This was the impression I had before I came to Denver, and I am basing my answer on the experience we have had without regard to anything that's happened here. I would say that, among people who know the President and who desire very much that he runs again, they are more optimistic today than they have been at any time since he has been inaugurated.

Q Why do they feel optimistic?

Mr. Nixon: Without going into too many specific details, I would say that because we feel the situation internationally and domestically is such that the President's leadership is needed; and, second, the feeling among people is that the President himself is a man who has a very high sense of duty and who will also recognize that his leadership, in spite of the fact that he is also a very humble man, is needed at these times, both internationally and domestically.

Q Would this reflect the idea that the President won't be able to complete as much of his program as he had hoped in one term?

Mr. Nixon: I would not presume to quote what the President thinks. In expressing my opinion and the opinion of others who are relatively close to the President, we feel that, in order to complete his program in both the international and domestic fields, his continued leadership is essential after 1956. Just so you will know, I emphasize again that we did not discuss with the President whether or not he was going to run.

Q: Do you consider Mr. Eisenhower the indispensable man?

Mr. Nixon: The President, of course, would be the last to say he was indispensable. I don't believe those of us in the Administration would say that the President or anybody else is indispensable. What we would say, and I'm speaking for myself, is that he is the best man, and that during these times we should settle for nothing but the best.

Q: The President has indicated that his state of health would be a factor?

Mr. Nixon: I've never seen the President look better than he looked this morning. I feel he's in tiptop shape, physically and also mentally in his attitude toward the job.

This job is one which, very frankly, has become easier for him.

That, of course, is inevitable when you have a capable man in the job as you have in this instance. Less important matters which used to take a lot of the President's time are now in proper perspective, and he is able to concentrate on great, important issues in which he has a vital interest and which, of course, we want him to be able to concentrate on.

Q: The President has said he didn't like politics in the derogatory sense. Does this present problems for the Republican Party?

Mr. Nixon: One of the reasons for the President's popularity is that people do not consider him to be a politician in the usual sense. I would like to emphasize that what I understand the President has said is that he didn't like politics in the "hurly-burly, name-calling" sense of the word. The President has said that it is necessary to have two strong parties and that the Republican Party is the best vehicle to carry out his program.

Q: You said a moment ago that you feel the people around him are more optimistic than they have been—do you mean to include the Republican leaders?

Mr. Nixon: I have talked to several Republican leaders in the past few weeks, and I would say the overwhelming majority of the Republican leaders—Republican office holders, elected officials and Republican Party leaders, State chairmen, etc.—the overwhelming majority believe the President will run and are basing their campaigns on the assumption he will run.

Q: What will be the issues in 1956?

Mr. Nixon: That, of course, will depend to a certain extent on what issues the other party and its candidate make. The party out of power usually carries the attack to the party in

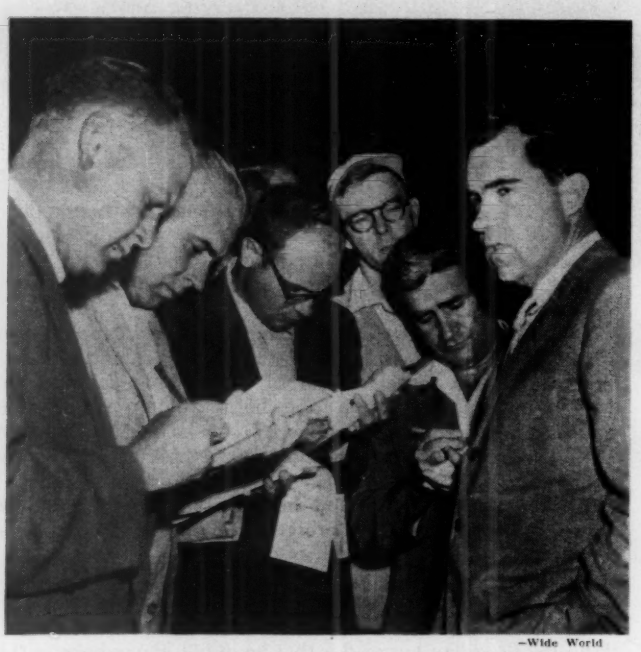
(Continued on page 120)

. . . Economic issue "will unite us, divide the Democrats"

power. I would say that, at the present time, what is most likely to be the major issue is the difference between the economic philosophy of the President and his Administration and the economic philosophy which apparently is going to be followed by the nominee of the other party, whoever that may be.

I think the differences in economic philosophy were pointed out in the last Congress. I, along with others, gave the Democratic Congress credit for what I called splendid support of the President in the field of foreign policy and in the field of military policy. But we saw developing, even in the last Congress, a definite split in economic philosophy. We have no time here to go into details but, generally speaking, it is the difference which arises when you are confronted with the question: Who is to deal with a problem?

Under the President's theory, the primary responsibility lies



—Wide World

VICE PRESIDENT NIXON TALKS TO REPORTERS
On the Democratic side "it looks like a horse race"

with individuals and the local or State governments closest to the people, with the Federal Government moving in to supplement such activity. The other theory is that the primary responsibility rests on the Federal Government to take action in every case.

We saw this split in the debate on the road program, on the tax program, the health program and on a number of other domestic issues, in which the majority of Democrats in the House and Senate lined up against the President's proposals and a majority of Republicans lined up for them. The fact that economic philosophy may be the major issue will, I think, be an asset for the Republicans because this issue unites us and divides the Democrats. . . .

Q: What is the issue where the Republicans will be most vulnerable?

Mr. Nixon: At the present time that most difficult issue for the Republicans appears to be the problem of farm prices. I say farm prices rather than program. Farmers are not interested in paper parity but in the pocketbook. But I am not as pessimistic on that issue as some commentators and other observers think the Republicans should be.

We feel that our program in the long run is the right program to get at the heart of the problem. To return to the high, rigid supports would only build up more surpluses. We are attempting to tackle the problem in the only way we think will reduce the surpluses, increase the markets. We are certainly hopeful that, as our program continues in operation, the farm prices will stabilize within the next few months. It is, however, our most difficult political problem.

Q: Are you making any headway with your campaign to make the Republican Party as popular as the President?

Mr. Nixon: My own feeling is—and I don't base this on any polls—that the Republican Party is several percentage points stronger than it was in November, 1954.

Here are some reasons: I think the healthy economic situation, proving the validity of Republican economic policies, has helped us and, I think, the fact that some of the divisive forces which were in operation in 1954 have been pretty well dispelled. I think the Republican Party today is more unified than it has been at any time since President Eisenhower was elected in 1952.

"Republicans Better Organized Now"

Q: What were some of the divisive forces?

Mr. Nixon: One of the major divisive forces was the controversy which arose over the so-called "McCarthy incident." With that controversy now out of the way we find that the overwhelming majority of Republican Party leaders and Republican Party rank-and-filers are lined up solidly behind the President. I might say that I believe that today the Republican Party is sounder, stronger, more unified than it has been since 1952. We are better organized; we have spread the base of the party.

Q: How do you size up the opposition?

Mr. Nixon: We have an advantage in that we have only one candidate for the Presidency. They have several; which is one of their major problems. Between now and next August they will have a campaign for the nomination. Now such campaigns are not fatal—we've had some ourselves—but sometimes it's very difficult to get the people together after the primary campaigns are over. Obviously it would be presumptuous for me to suggest who the opposition's candidate will be or whom they should nominate. I would say that at the present time it looks—just as a casual observer—it looks to me like a horse race between the three—Stevenson, Harriman and Kefauver.

I have noted a tendency to pass Kefauver off and say that Stevenson and Harriman are pretty well out in front, but I would say flatly that, in regard to California, Kefauver is way ahead of the other candidates and will win hands down in the open primary.

Q: You are saying only one candidate—does that mean Eisenhower will run?

Mr. Nixon: I said that the Republicans have only one man we are working for.

Q: If the President doesn't run, who will win the California primary?

Mr. Nixon: I follow the practice of never discussing or settling for anything but the best until and unless we have to.

Q: You say that McCarthy is through as a factor? Is he finished?

Mr. Nixon: I say the McCarthy issue, leaving out the man,

(Continued on page 122)

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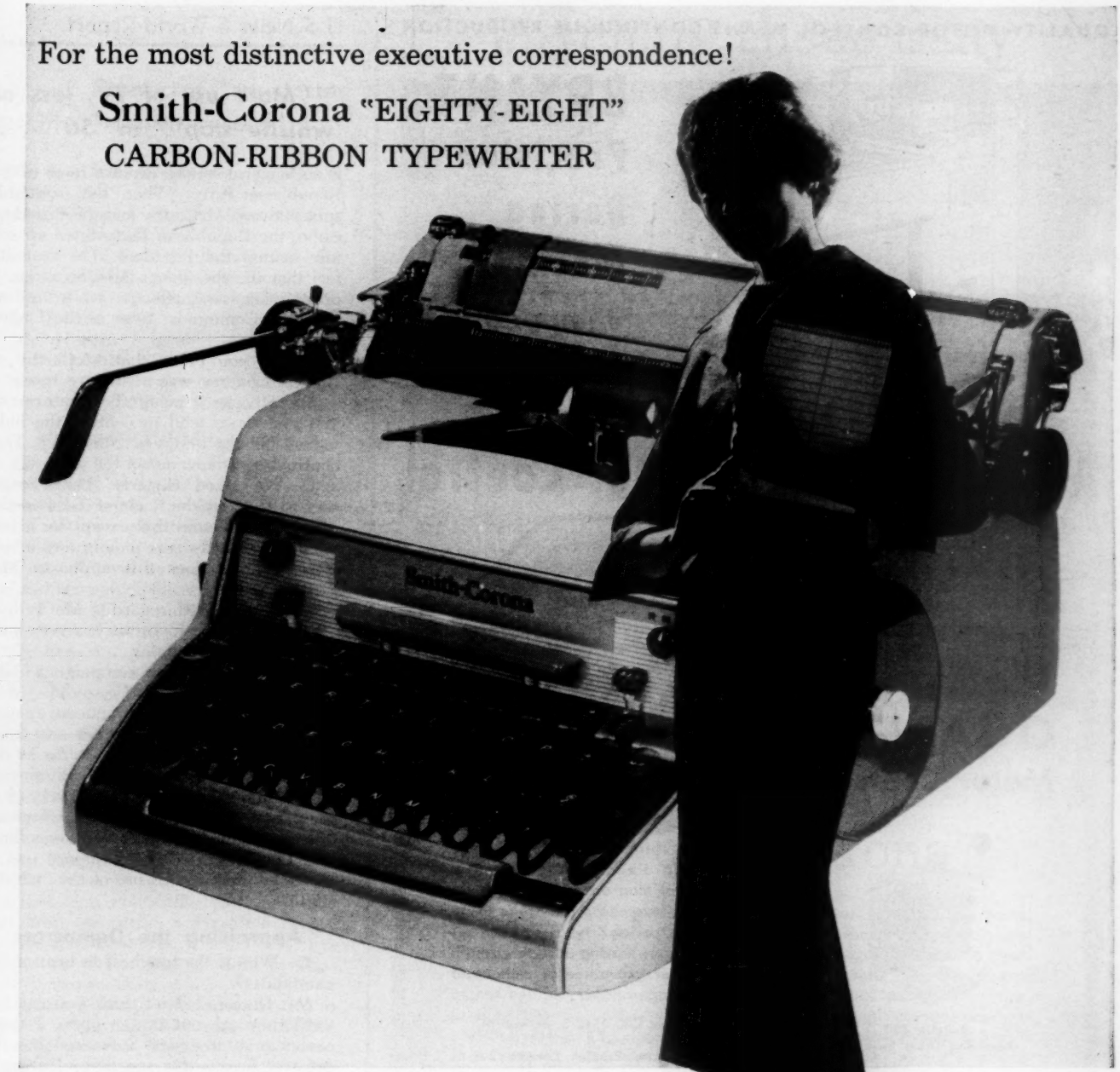

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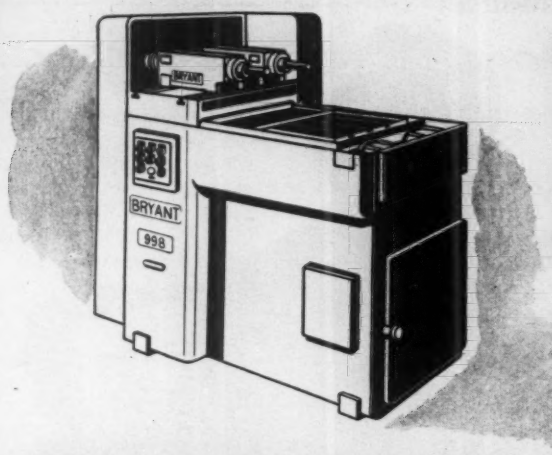

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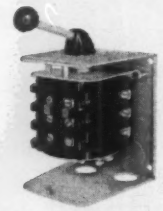

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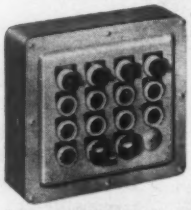

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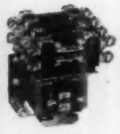

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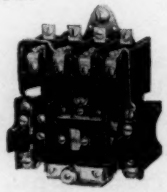

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"More use of TV, less of 'whistle stop'" in '56 . . .

is no longer a serious divisive force in the Republican Party. When the inevitable split between McCarthy and the President came, the Republican Party lined up solidly behind the President. The majority feel that the President's Administration is doing a fair, sane, effective job in dealing with the Communist issue in the United States.

Q: Do you mean that McCarthy or the controversy was a divisive force?

Mr. Nixon: I mean the controversy. We sometimes tend to confuse the individual and the things he stands for. That controversy is now out of the picture. . . .

Q: We asked Hagerty [Press Secretary to the President] about Truman the other day. He said that except for a few partisans nobody was paying any attention to him. Does this apply to McCarthy too?

Mr. Nixon: With regard to McCarthy's attack on the President, he has very little public support.

Q: What type of a campaign will be conducted in 1956?

Mr. Nixon: The main concern now is to develop unity and support and hope that the President will run. As far as the campaign is concerned, it will change considerably because of the very fact there are 50 per cent more television viewers in the country. This is an indication that there will be far more use of that medium and less use of the "whistle stop."

Appraising the Democrats

Q: Who is the toughest to beat of the candidates?

Mr. Nixon: I don't think you can tell until they are out in the open. I think each has some assets. Stevenson has the greatest facility for speaking; Harriman has skill at working with an organization and has financial support; Kefauver has a down-to-earth appeal which professional politicians have consistently underestimated. Kefauver may have difficulty being nominated because he has made enemies and alienated some of the party leaders. I have high respect for his vote-getting ability, but there is a difference in getting votes in the ballot box and at a convention.

When you analyze Kefauver's chances, he may come to the Convention with the most votes. Kefauver seems to have more ability to get votes at the ballot box in primaries than at conventions. Democratic conventions are less responsive to the people's will as expressed in primary elections than are Republican conventions. The Democratic conventions are generally controlled by party machines.

. . . Democrat "must run on the Truman record"

Q: Is a Truman campaign an asset or a liability?

Mr. Nixon: I can say this: Usually, the longer a man is away from public office—it is a strange phenomenon—the more he gains in public tolerance.

Q: You are speaking of former President Hoover now?

Mr. Nixon: I haven't said this has happened to Mr. Truman yet. Whoever is nominated will have no choice except to run on the Truman record.

No Foreign-Policy Issue

Q: Will Trumanism, corruption and Communism be issues?

Mr. Nixon: No, I would say that that could not be indicated now. I believe that the probable major issue and major battleground will be on economic thinking and economic policies. I do not anticipate at this time that foreign policy will be an issue in 1956.

Q: Are you going to campaign for the Vice Presidency?

Mr. Nixon: I consistently decline to discuss any potential Republican candidates on the national level except the President. I can say that no one runs for the nomination of Vice President.

Q: I heard it said in relation to the McCarthy issue that when you strike a king you should be sure you kill him.

Mr. Nixon: The phrase is, as I recall it, that you must not strike a king unless you kill him. Politically, you could say you must not strike a President, a big man, a leader, unless you kill him, destroy him, defeat him. I think political history shows that, when you have a great issue and an individual decides to take on a top man, if he wins out on the issue he gains in popularity, he grows. It's always best in politics to fight some one above you, a top man. But when you make a frontal assault on somebody bigger, you'd better be sure you win. If you lose you are finished on that issue. I think in this instance that is what happened.

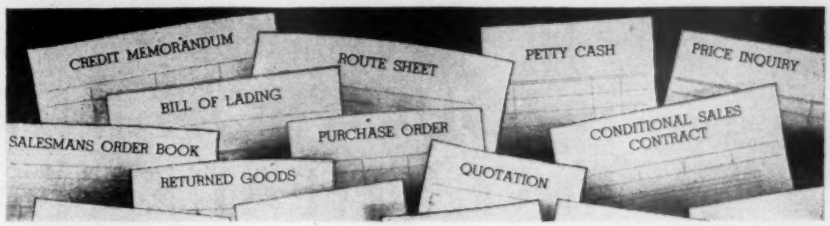
Q: Have you been in contact with Republican leaders? Do they believe the President is going to run, and on what do they base their assumptions?

Mr. Nixon: There is just currently a feeling of optimism among the Republican rank and file—a feeling of optimism that he is going to run. I can say on the other side of the coin that there has been nothing to discourage us on that respect.

Q: Do you think he likes his job better than he did?

Mr. Nixon: I couldn't say. I couldn't speak for him. But, speaking as an individual, people seem to like to do things better as they become easier for them.

Which of these many



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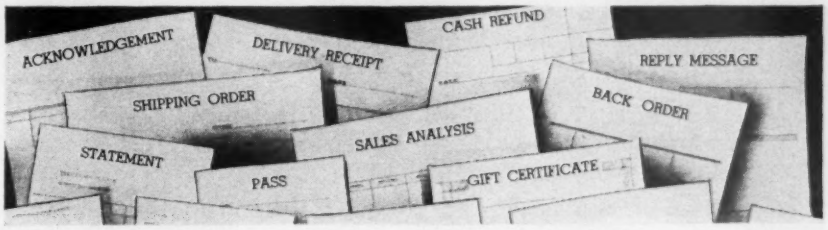

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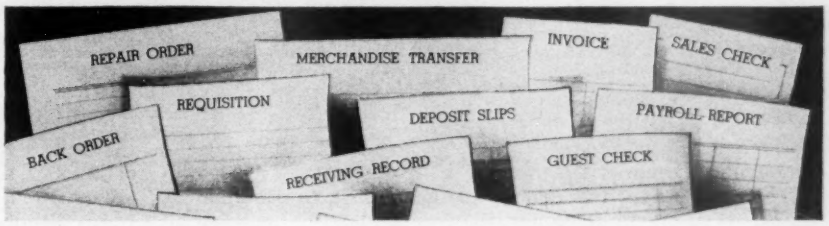

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Intelligence Chief Says—

EDUCATION IN RUSSIA MAY DEFEAT COMMUNISTS

Are the Communist doctrines laid down by Marx and Lenin being undermined by the new Soviet system of mass education?

That question is raised by an American who is particularly well placed to understand what is going on in the Soviet Union.

Allen W. Dulles, Director of the U. S. Central Intelligence Agency, asserts that, by educating the people and making them think, the Soviet regime may be sponsoring a threat to its own existence.

Another view of the Soviet system of education, based on an on-the-spot survey, is given in an interview beginning on page 94.

by Allen W. Dulles

Director, U. S. Central Intelligence Agency

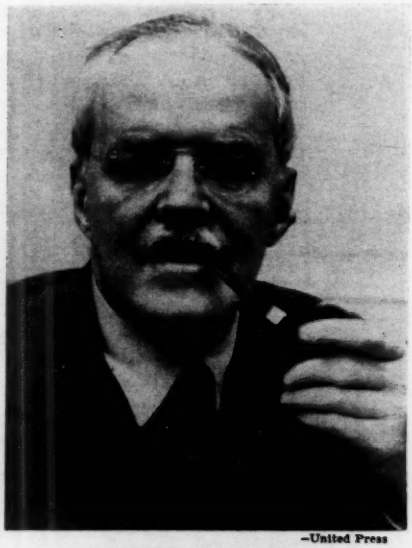
Scientific and technical education in the Soviet Union today presents a challenge to the free world. But mass education in the Soviet Union may well become a threat to their own Communist system of government.

The Soviets have two educational goals: first, to condition the Soviet people to be proper believers in Marxism-Leninism and to do the bidding of their rulers; second, to turn out the necessary trained technicians to build the military and industrial might of the U.S.S.R.

In the field of science, the Soviets have made rapid progress and their accomplishments here should not be minimized—least of all by those of us who are directly concerned with our national security. . . .

. . . The Soviet education system—in the sciences and engineering—now bears close comparison with ours, both in quality of training and in numbers of persons trained to a high level. At the university graduate level, we find that the entrance examinations for scientific work, at the top institutions, are about as tough as those required by our own institutions. Also, we have the evidence obtained from defectors, some of them recent, who were university graduates. Although these men have come over to us because of their detestation of the Soviet system, many of them still pay tribute to the technical quality of their education and appear to look back at least on this part of their lives with some pride.

As regards Soviet scientific manpower as a whole, the quality differs greatly from field to field. But, generally speaking, their top men appear to be the equal of the top men in the West, though they have fewer of them, level for level. True, their biology has been warped by Soviet ideology, most conspicuously by heresies in the field of genetics, such as the doctrine that acquired characteristics are inherited. Also, their agricultural sciences have been backward, plagued like all of Soviet agriculture by the follies of the collective system. What farmer will go out into the middle of a cold Russian night to see what ails a state-owned cow?



—United Press

ALLEN W. DULLES

In the physical sciences, there is little evidence of such political interference. Soviet mathematics and meteorology, for example, appear to be clearly on a par with those of the West, and even ahead in some respects. Military needs dominate their research programs. We who are in intelligence work have learned by now that it is rarely safe to assume that the Soviets do not have the basic skill, both theoretical and technical, to do in these fields what we can do. In fact, at times we have been surprised at their progress, above all in the aviation, electronic and nuclear fields. Certainly, the Russian's mind, as a mechanism of reason, is in no way inferior to that of any other human being.

° ° °

In time, with the growth of education—with more knowledge, more training of the mind, given to more people—this Soviet "man divided" must inevitably come to have more and more doubt about the Communist system as a whole.

In the past, we have sometimes had exaggerated expectations of dissensions within the Soviet and in other totalitarian systems. Our hopes have not per-

(Continued on page 126)

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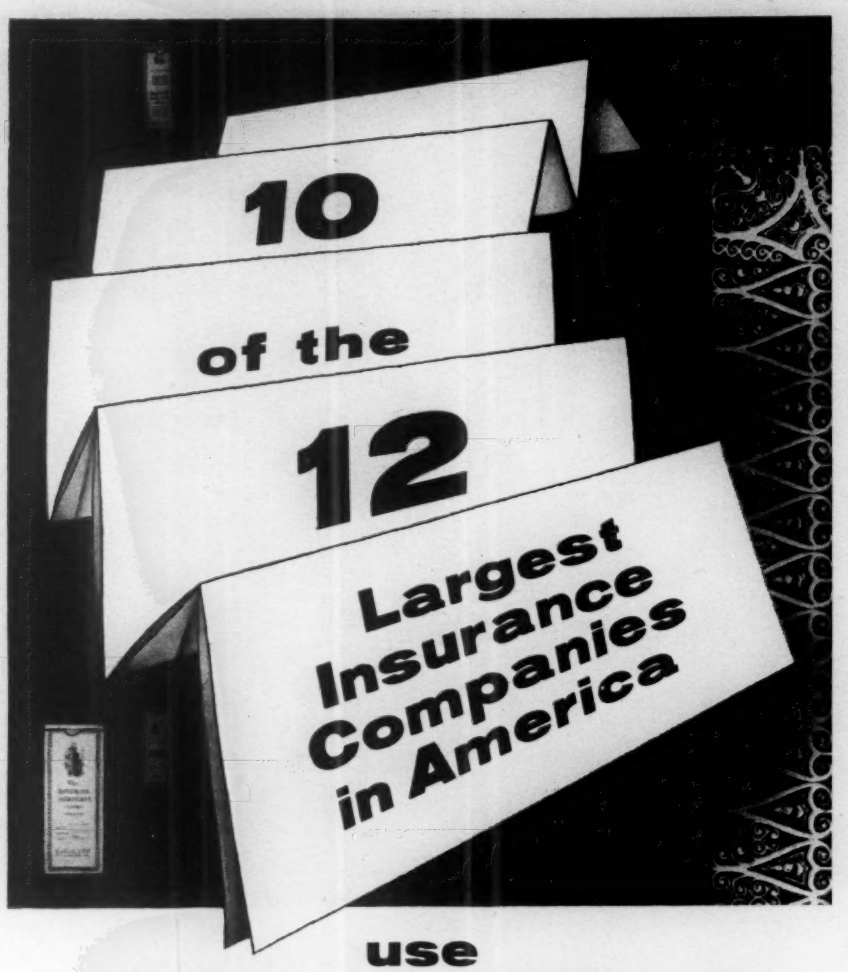

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"Karl Marx was not much of a farmer" . . .

haps been so much misguided as they have been premature. If we take a longer look, we can foresee the possibility of great changes in the Soviet system. Here the educational advances will play a major part.

There is already evidence of this. As I have said, the physical sciences are being freed of party-line restraints. Within the educational structure itself, the pressure to turn out good scientists and good engineers has caused a de-emphasis of the time spent on ideological subjects. The student engineer, while he still has to pass his courses in Marxism-Leninism, can increasingly afford to do a purely formal job on the ideological front if he is a good engineer.

In the last year, there have been interesting signs of this freedom spreading to other areas, notably to the biological and agricultural sciences. Lysenko is no longer gospel—I suspect for the very simple reason that his theories proved fallacious when used as the basis for new agricultural programs. The development of corn and of better wheat strains proved remarkably resistant to the teachings of Marx and Lenin—and, in the end, nature won the day. After all, Karl Marx was not much of a farmer. Now Moscow is looking toward Iowa.

So far, this is only a small straw in the wind. But it is a significant one. If freedom to seek truth can spread from the physical to the biological sciences, we can begin to look for signs of independence even in the hallowed sanctum of economics. Certainly, every year that the "decadent" capitalist system continues to avoid depression and to turn out more and more goods, even the most hardened Soviet economist must wonder about the accuracy of the Communist version of truth in this field.

Writers Get Off Easier

In cultural pursuits, the evidence is not all one-sided. Literature and even music are still subject to denunciation and criticism for not expressing the proper ideals. But clearly, here too, there has been some relaxation in the past two years. Recently, writers once denounced as "bourgeois" and "cosmopolitan" are being permitted to work again.

It is understandable that lasting freedom will come more slowly in economics and the humanities than where scientific matters—more open to proof—are involved. Ideology gives way most rapidly where it collides with fact.

° ° °

Increased education must inevitably bring in its train increased expectations

. . . "Education may prove anything but a joke"

on the part of the educated. Since higher education in Russia had historically been only for the few, not only in Tsarist times but until very recently in the Soviet era, there remains a strong tradition that a boy who graduates from secondary school will not work with his hands. Over the past two years, the Soviet press has repeatedly printed criticisms of students who refused to take factory jobs on the ground that they were beneath them. In all probability, the system is nearly at saturation point in the rate at which it can offer professional or white-collar jobs to secondary-school graduates.

Ultimately, however much the Soviets condition a man's mind, however narrowly they permit it to develop, and however much they seek to direct him after he is trained, they cannot in the end prevent him from exercising that critical sense that they, themselves, have caused to be created in him when they gave him an education. When Wendell Willkie visited the Soviet Union in 1942, he had a look at their school system. In a conversation at the Kremlin he remarked: "If you continue to educate the Russian people, Mr. Stalin, the first thing you know you'll educate yourself out of a job." This seemed to amuse the Soviet dictator mightily. Maybe it will prove to be anything but a joke for the Soviet rulers of the future.

For the Soviets face a real dilemma between the two goals of their education system: on the one hand, making well-conditioned members of a Communist state, and, on the other, turning out trained people capable of taking their places in a technically advanced society. In some degree, this dilemma has been present since the Soviets took the crucial decisions in the 1930s to go all out for trained technical manpower. It must become more acute in the future.

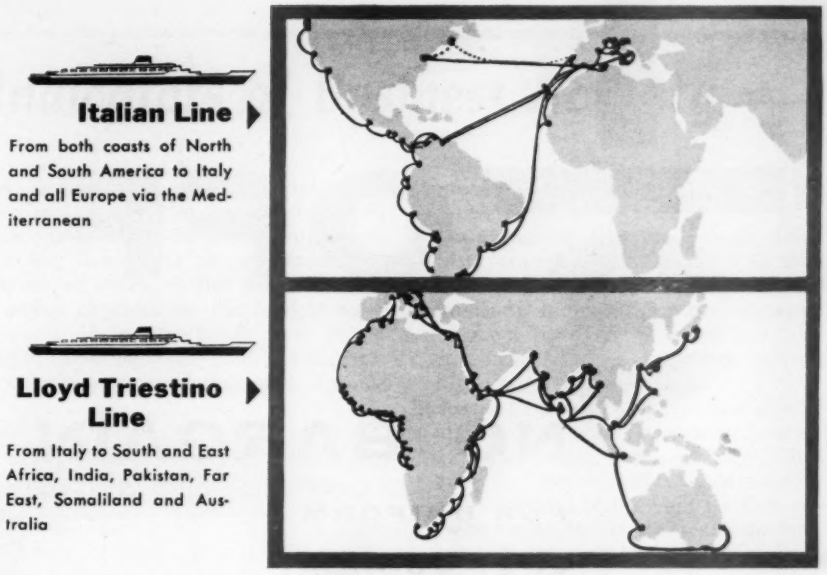
More Brains—More Trouble

The rise in numbers of trained people is only beginning to reach its peak, at a time when the picture for all Soviet citizens is one of somewhat greater hope and expectation, and when change is in the wind in many ways. The broadening of the educational base within, the contacts with the outside world, the uncertainty in the high governmental command and the absence of a dictator—all force the Soviet Union toward compromises.

With these compromises, comes the inevitable admission that the Soviet Marxist-Leninist system is not the only permissible way of life . . .

Can the Soviets give their people a

(Continued on page 128)



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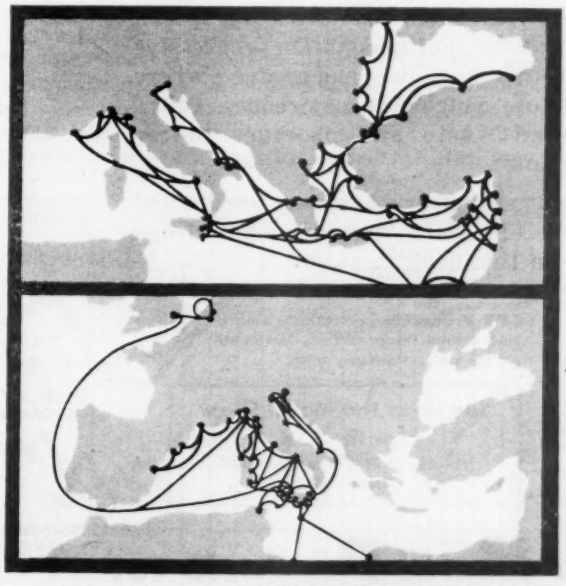

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. . . "Half-educated men: fodder for totalitarianism"

better material education and still keep them from wanting more and from thinking more on lines such as these? I do not think we can easily give the answer in point of time, but one can say with assurance that, in the long run, man's desire for freedom must break any bonds that can be placed around him.

Possibly for a time the Soviets will go forward, using their educational system as a sorting device for human assets. Half-educated men—all fact and no humanity—may still be good fodder for totalitarianism. Possibly the Soviet leaders will encounter problems for which they will seek the solutions by foreign adventures. But there remains the possibility that newly created wants and expectations, stimulated by education and perhaps by more exposure to the West, will in time compel great and almost unpredictable changes in the Soviet system itself.

New Purges Less Likely

Once or twice before this present peace-and-coexistence offensive, the Soviet seemed to start toward adjustment of its system to the facts of life in the outside world; first in the latter years of the war, and possibly again in 1946. These starts were quickly followed by a dropping of the Iron Curtain, by repressions, purges and a return to the rigid Stalinist line. Then the Soviet had a dictator, and it's hard to dictate without one. Today they have a committee in which the Soviet people themselves are not clearly told who is boss. Also today, the Soviets have gone much further than before toward introducing into their system tne leaven of education, which makes a return to the Dark Ages far more difficult than in the past.

I would not be bold enough to predict that the Soviet might not attempt to return to the rigidity of a Stalinist regime. I do predict that this would be no easy task. In introducing mass education, the troubled Soviet leaders have loosed forces dangerous to themselves. It will be very difficult for them henceforth to close off their own people from access to the realities of the outside world.

A hard choice faces the perplexed, and probably unharmonious, group of men in the Kremlin. They lead a people who surely will come to realize the inevitability of the great precept: "And ye shall know the truth and the truth shall make you free."

The foregoing extracts are from a Commencement Day address delivered last June by Allen Dulles at Columbia University, New York. *See also article on page 94 on education in Russia.*

PLUS & MINUS
Latest Indicators of Business Activity

Incomes, now increasing rapidly, are being spent freely at retail stores. This is giving a lift to commercial and industrial construction and to business activity as a whole.

Average weekly earnings in manufacturing jumped to $77.11 in August, a record high 75 cents above July, $6.05 above a year ago. Details follow:

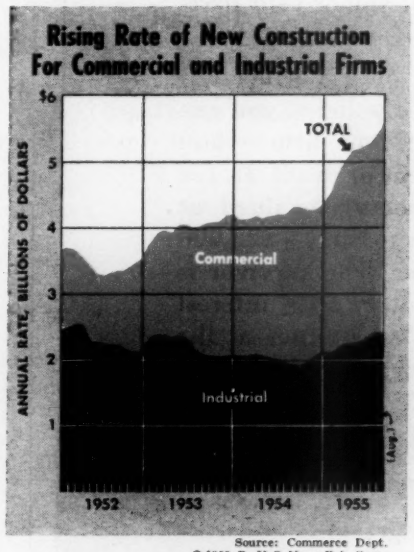
	Av. Weekly Earnings in August, 1955	*Increase, Aug., 1954 to Aug., 1955*
All manufacturing	$77.11	$ 6.05
Primary metals	94.81	14.17
Rubber products	87.15	11.30
Transp. equip.	95.82	10.19
Machinery	87.57	6.77
Fab. metal prod's	82.78	5.83
Lumber	71.34	5.77
Other bldg. materials	76.78	4.74
Paper	79.67	4.69
Elec. Machinery	76.30	4.26
Printing, publishing	90.95	3.55
Food	70.69	3.12
Textile-mill prod's	55.35	2.99
Leather goods	52.82	1.58
Apparel	49.31	.44

Personal incomes bulged to a rate of 304.5 billions per year in July, up 3 billions from June and 17.5 billions above a year ago. Higher wage rates lifted payrolls in both the Federal Government and private industry.

Department-store sales ran 11 per cent ahead of a year ago in the week ended September 3.

Commercial construction, shown in the top chart, rose to a rate of 3.25 billions per year in August, up 8 per cent from July and 35 per cent above August, 1954. Shopping centers are springing up rapidly in suburban areas. In downtown sections, parking facilities and office buildings are going up at a fast rate.

New patterns of living in the U. S. are multiplying the number of commercial buildings in use. Families are moving from farm to city, from the center of cities to the suburbs. The number of autos on the road is continuing to grow. Roads are being built, diverting traffic from old courses into new, opening up more distant areas for homes, filling stations, garages, stores, branch banks.



Source: Commerce Dept.
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Profit opportunities are spurring new construction for business firms wherever locations are favorable. Traffic-interchange points on limited-access highways attract commercial developments. Highways that bypass smaller towns are creating a need for restaurants, filling stations, stores on the outskirts.

Manufacturers, too, are moving away from crowded city locations to sites that give easy access to intercity and interstate highways for the shipment of goods by truck. Research laboratories, in many cases, are being built on highways outside of cities.

Industrial construction was at a rate of almost 2.5 billions per year in August, a quarter larger than a year ago. That excludes public-utility construction and industrial plants built for Government ownership. It also omits machinery and equipment purchases of business.

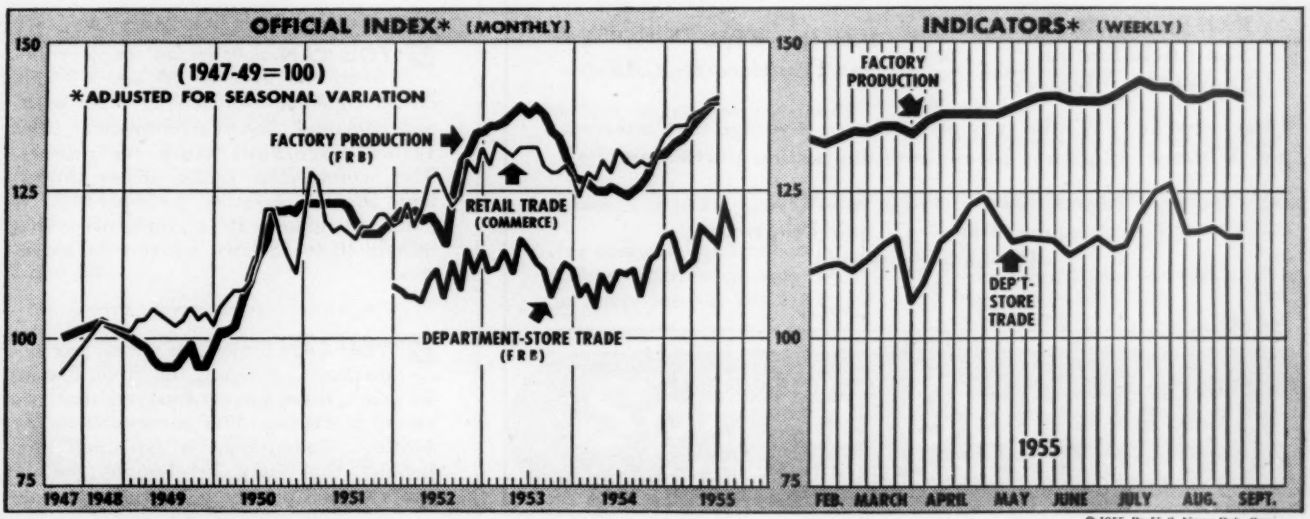
Total construction of all types was at a rate of 41.5 billions per year in August, 2 per cent below the May peak but 8 per cent above a year ago. In August, building of churches was 23 per cent above a year ago. There were gains of 18 per cent for public schools, 14 for homes, 10 for sewer and water developments.

Factory output, at 141 on the indicator, was holding near its July peak.

Auto plants, now changing over for new models, turned out only 86,182 cars in the week ended September 3, as estimated by Ward's Reports, Inc. That was the lowest output this year.

Steel mills scheduled output at 93.8 per cent of capacity in the week ended September 10, highest since June. Order backlogs are large.

Capital expenditures of business, now climbing sharply, are offsetting declines in home building and auto output. Business activity is buoyant at this time.



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NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN,** as an employer, disregard the overtime-pay provisions of the Wage-Hour law in figuring your contribution to an employes' ***layoff-pay plan.*** This ruling of the Labor Department means that the employer's contribution under such a guaranteed-wage plan will be at the regular hourly rate even though the employe works overtime and is paid time and one half.

* * *

☑ **YOU CAN,** in filing a declaration of ***estimated tax*** for a corporation, take credit for any overpayment of tax by your company in 1954. The Internal Revenue Service issues instructions for corporations that want to claim such overpayments in their tax declarations.

* * *

☑ **YOU CAN,** as a manufacturer of ***motorcycles,*** forget about the excise tax for your product. The Internal Revenue Service reminds manufacturers that this tax was abolished by Congress in legislation that became effective September 1.

* * *

☑ **YOU CAN** count on the National Labor Relations Board to keep hands off in a dispute involving a ***hotel.*** In dismissing a union's petition for a collective-bargaining election, the Board decides to continue its policy of keeping out of disputes over recognition of unions in the hotel industry.

* * *

☑ **YOU CAN** now let an employe between the ages of 16 and 18 ride on a freight elevator in your plant without violating the Government's rules against ***hazardous work for minors.*** The Secretary of Labor allows this so long as the elevators are operated by older attendants. It is emphasized that minors 16 to 18 must not run the elevators.

* * *

☑ **YOU CAN** sometimes obtain ***tax reductions,*** running for from five to 10 years, for a private business that you set up in Mexico. This concession by the Mexican Government is explained in a booklet that may be bought for 10 cents from Commerce Department field

offices or from the Government Printing Office, Washington 25, D. C.

* * *

☑ **YOU CAN** avoid paying ***income tax*** on part of the profit from a contract if you promised to give that share to a financing company for advancing you money to carry out the contract. In this decision of the U. S. Tax Court, a ruling of the Commissioner of Internal Revenue is reversed.

* * *

☒ **YOU CANNOT,** in your advertising, fail to disclose that ***furs*** you sell are artificially colored. The Federal Trade Commission approves a consent order that also prohibits a company from using advertising that does not name the animals from which the furs came.

* * *

☒ **YOU CANNOT,** in ***collective bargaining,*** insist that, before a strike is called, your employes be given a chance to vote on your last offer for settling the dispute. The Labor Board holds that an employer violated the Taft-Hartley law by demanding that his contract with a union contain such a provision. In a second ruling, the employer is rebuked for insisting on a provision that the union's contract would become void if the number authorizing checkoff of dues dropped to less than 50 per cent of those in the bargaining unit.

* * *

☒ **YOU CANNOT,** as a Canadian citizen, avoid paying a U. S. tax on your profit from sale of ***cattle*** that you buy in Canada and ship to a business associate in the United States. The Tax Court rules that such a person was a member of a partnership engaged in business in the U. S. and that his share of the profit from sale of the cattle was fully taxable in this country.

* * *

☒ **YOU CANNOT** legally lay off some of your employes because they quit work after insisting that you explain a wage plan to them as a group, rather than individually. NLRB finds that employes acted within their ***Taft-Hartley rights*** when they demanded that their employer explain an incentive-pay program to them as a group; the Board says the employer should not have laid them off.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*

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ARE TAX EVADERS SAFE?

Only a Few of Those Convicted Go to Jail

You may have wondered what happens to people who cheat on their income taxes.

Relatively few are caught. Fewer are prosecuted. Still fewer go to jail.

That's from the top tax collector—and from the record.

Out of 50 million or more taxpayers, 625 were caught and adjudged guilty of criminal tax evasion in the year ended June 30. All but 269 of those got off without prison terms.

This is a part of what the Commissioner of Internal Revenue means when he declares that too many tax evaders are getting off easy. "Relatively few federal district court judges," says Commissioner T. Coleman Andrews, "are dealing out the punishment that these deliberate tax evaders deserve."

Mr. Andrews believes that a "slap on the wrist treatment" is undermining the country's "voluntary" tax-collection system. He thinks that when admitted tax criminals are let off with moderate fines and suspended sentences people tend to believe they can get away with anything in defrauding Government of taxes.

To back up his statements, the Commissioner reels off facts, figures and case histories from his files.

The record. What is revealed by official files is a wide variation in treatment of tax evaders by district judges around the country. Cases handled in the last nine years show what's happening.

In three judicial districts in the Midwest and South, there were more than 30 admitted or convicted tax evaders. None has drawn a prison term. In one of these districts, all of the tax evaders went free with neither fines nor jail terms. In another, all were given fines under $10,000.

In one Great Lakes district, on the other hand, 61 out of 73 evaders drew prison terms. Five got off entirely free. In a Pacific Coast district, 65 in 77 went to jail. Three went unpunished.

In another West Coast district, 106 of 173 evaders went to jail, and 29 drew big fines. A New England judge sent 37 out of 47 tax evaders to jail.

A Midwestern judge sent 3 out of 63 to prison and gave stiff fines to 7. Another sent 2 of 30 to jail and handed out no big fines.

The chances of getting away with tax fraud, the record shows, depend on where the taxpayer lives and operates.

The problem, though, starts before fraud cases ever reach the trial stage.

Detection: difficult. Basic trouble, Internal Revenue officials explain, starts with the income tax law itself. Agents say it has become so complicated that relatively few people understand even the simpler provisions. The tax rates, at the same time, have gotten so high—91 per cent on some income—that some people feel justified in trying almost anything to hang on to their money.

Tax collectors also observe that some

(Continued on page 134)

HOW COURTS DEAL WITH TAX-FRAUD CASES

Of 786 defendants in criminal cases involving personal income taxes—year ending June 30, 1955:

40	were fined $10,000 or more and given prison terms.
229	were fined less than $10,000 and given prison terms.
51	were fined $10,000 or more, but given no prison terms.
221	were fined less than $10,000, and given no prison terms.
84	were neither fined nor sentenced.
73	were acquitted.
88	were dismissed.

Source: Internal Revenue Service

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Good for growing blossoms: *sunshine.*

Good for growing business: *telegrams.*

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GEORGIA
DEPT. OF COMMERCE

Tax man's view: not enough "policemen" . . .

individuals engage in "incredibly complex financial deals." Many revenue officials conclude that the income tax laws are all but impossible to enforce.

On a big tax case, involving a million or several million dollars in tax deficiency and penalties, dozens of revenue officials might take months to develop a case that will stand up in court. With relatively few enforcement officials to police the dealings of 50 million taxpayers and thousands of corporations, the tendency is to prosecute the big or obviously fraudulent cases and to settle for taxes plus penalties, on most of the others.

Thus, officials complain bitterly when, after their long efforts to catch a tax

–USN&WR

REVENUE COMMISSIONER ANDREWS
. . . are judges too lenient?

dodger have been successful, the defrauder gets off free.

How evaders fare. Take the case of a businessman who operated in a Midwestern metropolis in the summer and a Southern resort in the winter. He recorded checks as having been issued to suppliers—some of them phony firms—when in reality the checks were issued to himself.

He found it necessary to make false entries on his books to hide this practice. To get invoices to support these fake purchases, he simply altered the dates on some of his old invoices.

It took tax agents some time to get around to this man—and considerable time to tie him up. In the end, he pleaded guilty to the charges, admitting a deficiency of more than $180,000 in

. . . A $20,000 fine in million-dollar case

taxes and penalties for just two years' operations.

For his crimes, this businessman was fined $2,000 and ordered to spend five hours in the custody of a U. S. marshal.

A dealer in the Southwest reported so little of his income in his tax returns that he didn't even bother to report all his legitimately deductible business expenses. He kept no books or records, but revenue agents—by laborious checking with his customers all over the State—did the job of verifying his sales.

What they found was that, where the dealer had reported sales at $10,000 in one year, they really exceeded $100,000. In five years, during which he admitted sales amounting to about $160,000, agents found that he really grossed $830,000.

Indicted, along with his wife, on charges involving three years, the dealer pleaded guilty to counts involving one year. The judge fined him $7,500 and committed him to the custody of the Attorney General for six months—then suspended that commitment and put him on probation for a year. Other counts against the taxpayer and his wife were dismissed on Government motion.

Consider the operations of a West Coast man who, according to tax agents, made a habit of depositing in his own personal bank account the checks he received in his store. When revenue agents caught up with this taxpayer, they found he had kept his records in such a competently obscure fashion they could not audit his books.

In this situation, agents turned to their "net worth" method of checking up. In three years of rooting out this man's scattered wealth, they established his net worth—that is, his assets minus his liabilities—in 1940 and 1951. They then asked him to explain how his net worth had grown so fabulously on his small income. They figured he owed the Government a million dollars.

Early this year, the case that began in 1948 came to trial. The defendant did not contest the counts involving 1946 and 1947. Accordingly, he was ordered to pay a $20,000 fine and released.

The case of a successful and respected Midwestern professional man is cited to show that some jurors and judges are reluctant to punish tax evaders. This man was found owing more than $150,000 in tax deficiencies and penalties.

This taxpayer kept a small black book to record amounts paid him personally, while amounts received by office help went on the office books. In three years, during which he reported professional

(Continued on page 136)

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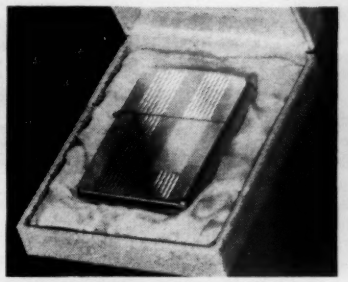

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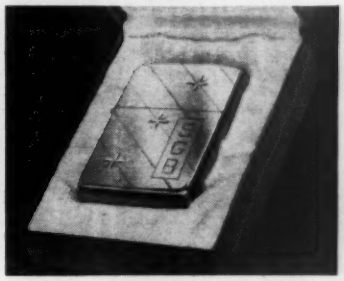

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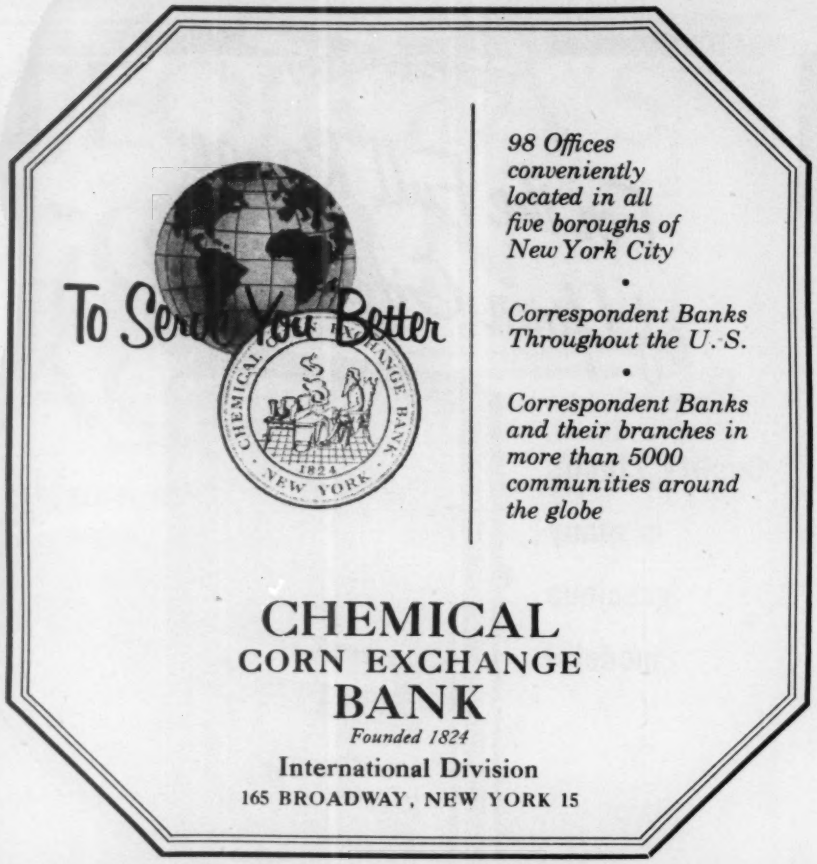

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. . . Few tax returns are carefully audited

receipts totaling $60,000, he managed to spend more than $200,000. He attempted to conceal many of his insurance policies—one of which was a single-premium policy with a face value of $50,000.

Tax agents took his attempt to conceal these policies, plus the little black book, as indications of a willful attempt to defraud Government, and brought the taxpayer to trial. The judge, however, was sure that some of the deficiency was due to the carelessness of a busy man.

The jurors, after some deliberation, asked the judge whether he would go easy on this defendant if they convicted him.

Conviction brought a fine of $7,500—and release.

Other examples. Variation in the attitudes of district judges toward tax dodgers is illustrated by cases closed in the year ended last June.

A pair of dealers who admitted tax deficiencies totaling $370,000 drew small fines in a Midwest district. Yet an employe of a West Coast firm, found guilty of cheating Government out of $2,000, got nine months in jail.

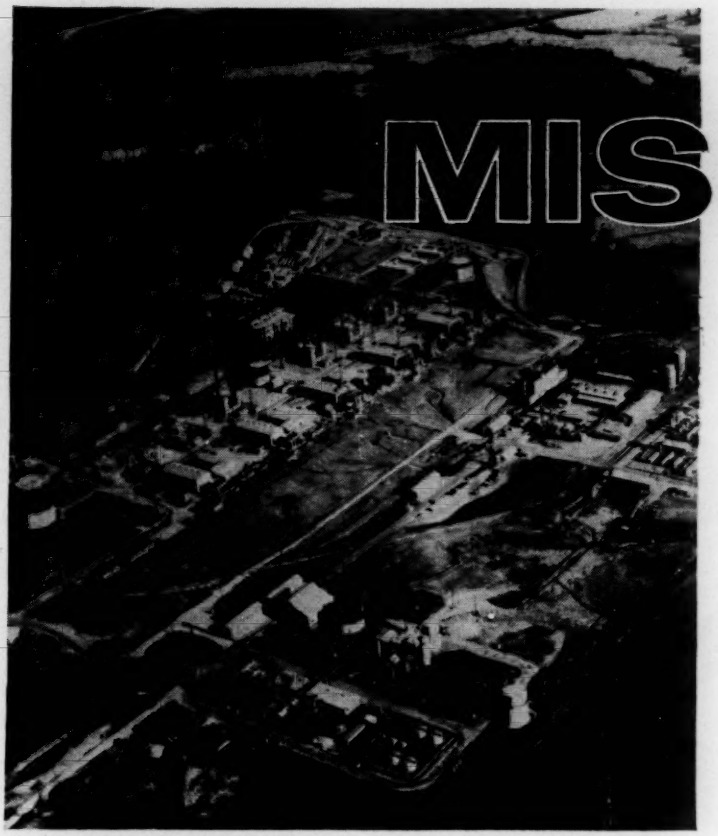
In Texas, a taxpayer who admitted deficiencies totaling $102,800 got off with a suspended sentence and a $22,500 fine. A West Coast investor who owed Government $34,000 was fined $2,500. Yet another taxpayer, caught with a $5,000 deficiency, was sent to jail for two years.

A Nebraskan who failed to contest charges involving deficiences of $200,000 was fined $7,500. Elsewhere, a man who admitted owing $1,800 got a six-month prison term.

Revenue officials feel that an "easy attitude" toward tax dodgers is a real danger to the country's tax-collection system. With so many taxpayers and so few enforcement officials, they explain, it always has been necessary to depend on the taxpayer to fill out his return accurately and pay up.

The only prod is the vague threat of penalties and criminal prosecution. Tax returns are checked for arithmetic. But relatively few are thoroughly audited. Drives are conducted here and there, now and then, to back up the threat. Yet tax evasion estimated at 1 billion to 3 billion dollars a year generally is taken for granted.

Now, officials suspect, the threat is wearing thin. "Judicial leniency," they fear, is encouraging taxpayers to cheat. If they're right, these officials warn, Government is in for a rough time catching evaders—and balancing the federal budget.



A $6,000,000 plant of the Hercules Powder Co., is now being built here at Louisiana, Mo., under the "Tailor-Made" Plan.

Let MISSOURI tailor-make a better plant for you . . .

in one of 228 locations:

In Missouri, 16 cities now stand ready with well-organized, well-financed development corporations, to build a plant to your specifications and lease it to you on a long term lease. Over 80 other cities await only your word to set up a similar corporation. And in these cities and many others, 132 industrial buildings, listed in the Fall Quarterly Missouri Plant Report, offer outstanding opportunities for new industries or branch plants. Study these offerings:

16 CITIES NOW READY TO BUILD FOR YOU, INCLUDING:

$500,000 FOR DEVELOPMENT awaits the right manufacturer in this distribution center of 38,711. Abundant resources include zinc, lead, germanium, marble, coal—plus farm products.

CHEMICAL PLANT OPPORTUNITY—city of 20,675 on Mississippi has $200,000 available. 3 sites—one of 11,329 acres with rail and barge connections. Steam available from adjoining power plant. Excellent labor supply.

IDEAL FOR LIGHT INDUSTRY including food processing. Town of 11,815 has $150,000 and 3 sites from 18 to 290 acres. Excellent transportation. Available labor in area about 40,000.

CITY OF 78,586 has $200,000 industrial funds available, plus other sources. Sites from 7 to 185 acres, zoned for industry, with ample utilities and transportation. A top livestock market and distribution center.

POTENTIAL FOR HEAVY INDUSTRY. City of 20,354 formerly the site of a railroad repair and machine shop with many trained machinists still in area or eager to return. Industrial corp. of $100,000 has 2 sites of 80 and 90 acres.

$150,000 TO BUILD PROCESSING or light manufacturing plant. County seat town of 3,500 in diversified farming area. Labor pool of 6,400 in county. Good transportation, utilities.

The six cities listed above are typical of the 16 in which development corporations are already set up. Meantime, should your business be better served by a plant already built, note 6 existing buildings listed below out of 132 now available. In either case, Missouri prepares the community for your plant, then "tailor-makes" the plant to your plans.

132 BUILDINGS AVAILABLE NOW:

Heavy factory and foundry on 310,000 sq. ft. of ground, rail into 250,000 sq. ft. building. Overhead cranes, loading docks, sprinkler system, air-conditioned offices. For sale or lease.

41,360 sq. ft. One-story masonry and steel building in small aggressive town. Railroad siding. Sale or lease.

Opportunity in distribution center. 50,000 sq. ft., 5-story brick and concrete fireproof building, formerly a warehouse. On railroad siding. Lease.

Small Missouri town has 1-story tile and brick building with 4,428 sq. ft., previously used for glove factory. Many skilled workers in labor pool. Rent.

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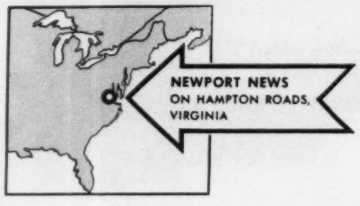

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Signs of quickening business, normal at this time of year, are beginning to appear on schedule throughout the nation.

Steel output is rising after a slight summer lull. The mills are making more than 2,260,000 tons a week, compared with 2,157,000 a month ago. They still haven't equaled the 1955 record of 2,345,000 set in the week of May 9.

Auto companies are starting to make their 1956 models, though they won't go on sale for weeks, of course. Actual production of new-model Fords was scheduled to start last week. New Plymouths are to be in production in another week or two. The lull in auto output, thus, will soon be over.

Department stores are doing a brisk business in school clothes and other seasonal goods and expect a record Christmas season. In the latest week on record, sales were 11 per cent more than a year ago.

The role of inventory buying in the current boom is a bit confusing. To help you get perspective on what this buying has meant:

Build-up in inventories has been at a rate of about 4 billion dollars a year. In the third quarter of 1954, inventories were being cut at a 5-billion rate. These figures show that production has been increased by about 9 billion a year through the change in attitude toward inventories.

Total output of goods and services in the same period has increased by more than 26 billions a year. Inventory buying seems to account for about one third of the business boom, at the most.

In steel, inventories may be more significant. The National Industrial Conference Board calculates that half of the increase in steel shipments between the first and second quarters of this year was accounted for by steel going into the inventories of manufacturers, contractors and other users.

Steel inventories increased by about 2.3 million tons during the first half of this year, the board estimates. However, this does not mean so much steel was lying idle; instead it was reported "in process," being put to use.

Steel users still are finding it difficult to lay metal aside as a reserve. Some are placing orders now for steel they can't get until 1956.

Manufacturers generally are adding somewhat to their stocks of raw materials and goods in process. This is regarded as inevitable at a time when many of these companies are straining to fill the orders on their books.

Finished goods are not piling up at the factories, official figures show.

Retailers have added to stocks, however, especially the auto dealers. Supply of new cars is greater than ever before for this time of year. Auto sales continue at a high level, even in this off season. Accordingly, many dealers say they are not worried; auto manufacturers appear confident.

(over)

Compared with sales, over-all inventories seem low, the Federal Reserve Bank of Chicago contends. The bank estimates that businessmen would have to add about 7 billions to their stocks in order to get them to a "normal" level in relation to sales, as indicated by 1953-54 experience.

Thus, inventory buying is expected by most businessmen and economists to continue, so long as sales are rising. They won't worry, unless sales level off or actually start to decline. There is no sign of this as yet.

Prices are rising in a wide assortment of industries. Price cuts are few.

In the last few weeks, manufacturers have announced price increases in cellophane, rubber hose, concrete pipe, platinum, small electric motors, men's hats, coffee, some important chemicals, pipe organs, many other things.

Wage increases are blamed by most businessmen announcing higher prices.

Price increases of raw materials also are cited. Green coffee, natural rubber, coal, most metals cost more. Farm prices are about the only ones down.

Copper, at 43 cents a pound compared with 30 earlier this year, is the costliest it has been in 83 years. Cost of copper overseas is even higher.

Coal, just getting out of a depression, is selling at an average price of more than $5 per ton at the mine for the first time this century.

Zinc has gone up from 12.5 to 13 cents, the third jump this year.

Official price indexes have risen little in the light of such increases. The wholesale price index has gone up less than one half of 1 per cent this year; the industrial part of the index, about 1.6 per cent. Consumer living cost has inched up very slightly. Inflation is not an accepted fact.

Official policy seems to work at cross-purposes. The Government seeks to head off inflation and keep the boom in check. But it also follows buying programs designed to bolster prices of things such as coal, lead and zinc.

The building boom has passed its peak for the time being.

Spending, private and public, for all types of construction was at an annual rate of nearly 42.4 billions in May and slipped each month to 41.5 billion in August, according to the official estimates.

Housing starts have not repeated the level of last December, after allowing for seasonal factors. Lower number of starts now is being reflected in the spending of less money on home building. Government economists expect this downtrend to continue for the rest of the year but think it will be mild.

Heavy business spending for new plant and equipment tends to offset dips in construction, so far as demand for steel, concrete and other materials is concerned. Big new investment programs are being announced all the time.

Steel expansion, from the present capacity of 126 million tons a year to 150 million tons, is needed by 1960, according to a Government study.

Republic Steel Corporation, third largest in the industry, is planning to add 16 per cent to its capacity in the period. Cost: 130 million dollars.

Railroads will need to spend at a rate of 2 billions a year for the next 10 years, the head of the Pennsylvania Railroad Company estimates.

Government surveys show a strong upward trend in this type of investment for business as a whole.

From
miniature battery
to
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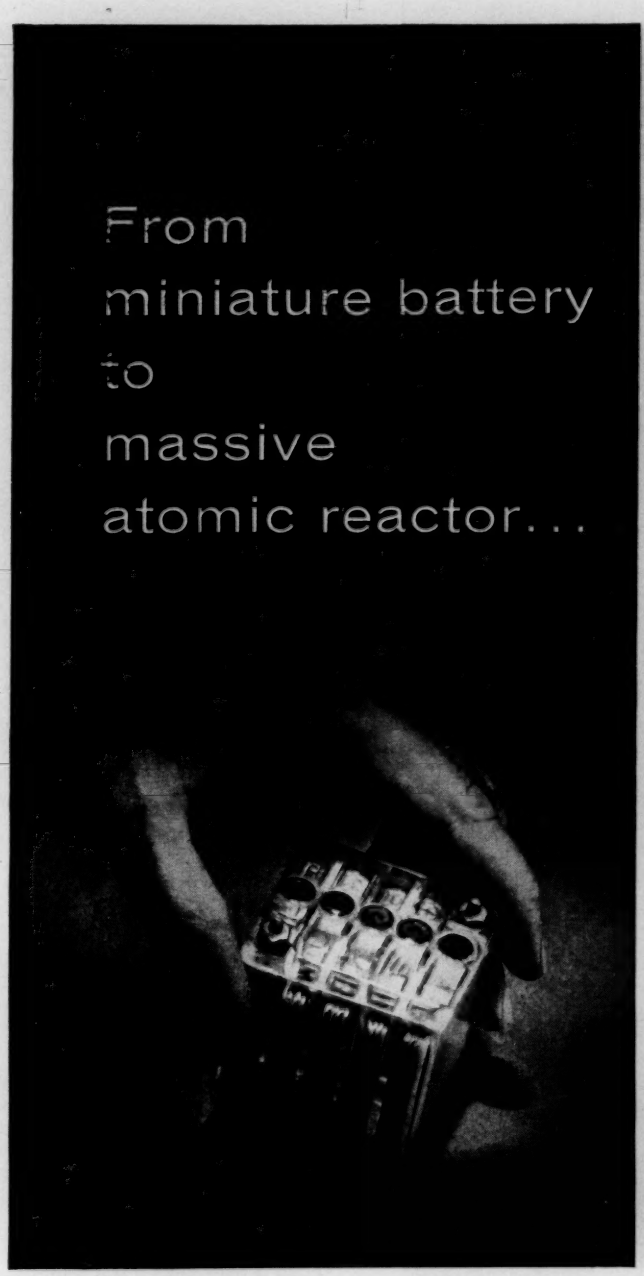
atomic reactor...



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A BRITISH VIEW OF "RIGHT TO WORK" LAWS

Are hard-won personal freedoms now being abused so that they become instruments of oppression?

What about trade-union rules, for example? Should a worker be compelled to join a union in order to work?

And does the right to strike mean the right to inflict suffering on innocent persons to gain economic goals?

These questions are discussed here by an eminent British jurist, Sir Alfred Thomson Denning. He suggests: Trade-union disputes should be settled, like legal disputes, by impartial tribunals.

by the Right Honorable Sir Alfred Thomson Denning

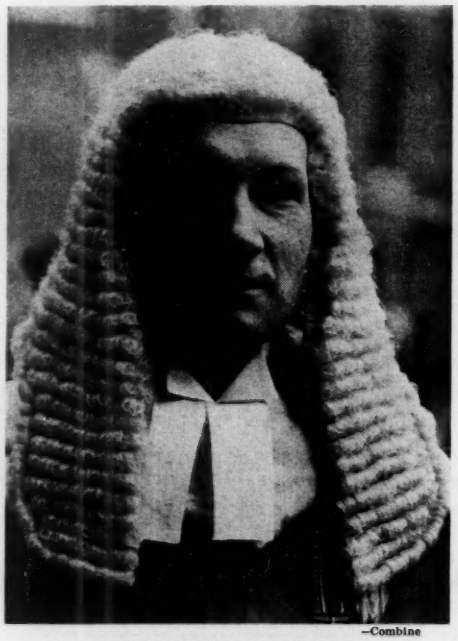
Lord Justice of Appeal, England

As I look around, I sometimes wonder whether in England, at least, the lawyers have been as vigilant in defense of freedom as they ought to be. They have resisted attacks from without to the uttermost, but they have sometimes failed to meet encroachments from within. Dictators and bureaucrats have not been able to breach the ramparts of the law, but the lawyers have allowed freedom to be misused or abused within the law itself. This is why I have taken as my theme today the saying: "The price of freedom is eternal vigilance." . . .

I expect that you in the United States have been much more vigilant than we in England; but, so that you may be ever on your guard, let me tell you of some of the ways in which our prized freedoms have changed their color and become instruments of oppression instead of liberty as they should be.

Take first freedom of association. This is one of the most prized freedoms of the twentieth century. If men are ever to be able to break the bounds of oppression or servitude, they must be free to meet and discuss their grievances and to work out in unison a plan of action to set things right.

Men and women must be free to form themselves into political parties with liberty to criticize the party in power. This is one of the great bulwarks of democracy. So also men must be able to form themselves into trade-unions to protect their working conditions, and employers must be free to combine together to look after their own interest. There is much that is good in all this freedom, but at the same time it has its drawbacks. Many cases have occurred of late where this freedom for the group has operated harshly against the individual.



—Combine

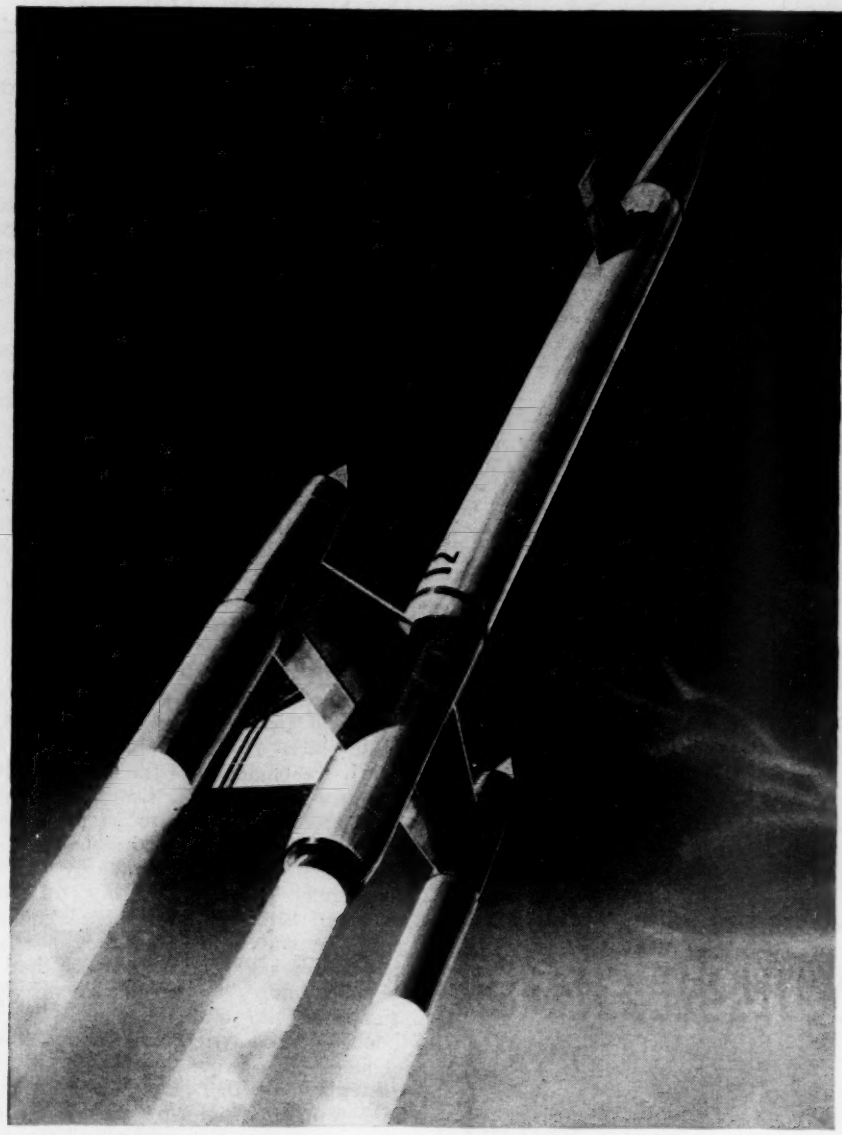
LORD JUSTICE DENNING
"This freedom has its drawbacks"

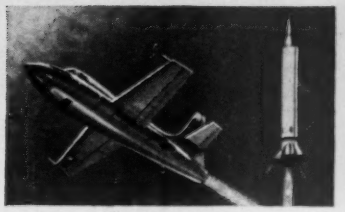
Trade-unions are perhaps the best instance. It is reasonable enough that workmen in a particular industry should wish all their fellow workmen to be members of their own trade-union, because that gives them greater bargaining power, but this leads to the "closed shop" as it is called, where a man has no right to work unless he is a member of a particular trade-union. It is reasonable enough, too, that a trade-union should have means of securing discipline among its members, but this leads to private tribunals where a man can be punished without any recourse to the courts of law.

When a man joins a trade-union, he is bound by the rules. The rules are said to be a contract between the men themselves and between them and the union. But they are in no sense a contract freely negotiated. A man must accept them or go without employment. They are nothing more nor less than a legislative code laid down by some members of the union to be imposed on all members of the union. If the union or its officers happen to break the rules, the man can get redress to some extent in the courts of law but, so long as the union and its officers keep within the rules, he has no redress.

I suggest that where the law falls

(Continued on page 144)





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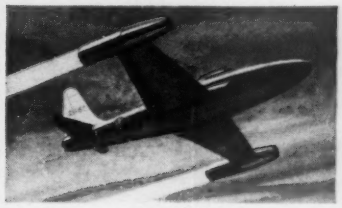

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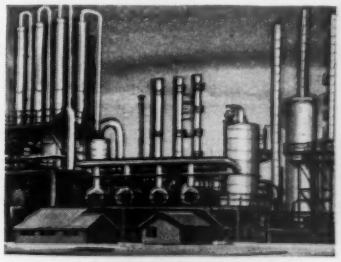

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"No right to strike at community at large" . . .

short is that it puts too much emphasis on the supposed contract between a man and his union and too little emphasis on his right to work. A man's right to work is just as important to him, indeed more important, than his rights of property.

If his rights of property are invaded, the courts have well-known causes of action to protect him. His house, his furniture, and his investments are all well-safeguarded by the law. But his right to work is left open to marauders. If he is wrongfully deprived of his right to work, the courts should intervene to protect him. They have always protected him against wrongful dismissal by his employer. They should also protect him against wrongful exclusion by his union.

"Closed Shop" Criticized

I pause to say that a welcome change is taking place in the attitude of the trade-unions to this problem. Quite recently the chairman of the Trades-Union Congress, Mr. Charles Geddes, strongly criticized the "closed shop" principle.

"I do not believe the trade-union movement of Great Britain can live for very much longer on the basis of compulsion," he said. "Must people belong to us or starve, whether they like our policies or not?" he asked. "Is that to be the future of the movement? No. I believe the trade-union card is an honor to be conferred, not a badge which signifies that you have got to do something whether you like it or not. We want the right to exclude people from our union if necessary and we cannot do that on a basis of 'belong or starve.'"

In England today the disputes are not so often between employers and workmen but more frequently between one trade-union and another trade-union, or between a group of men and the union to which they belong. Strikes are frequent, both official and unofficial. As a result of these disputes many innocent people are injured. Many lose work and wages without any fault on their part. Others are put to great hardship and inconvenience. The whole community is struck at.

It is all very well to talk of the right to strike, but I know of no law which gives any man or any group of men the right to strike at the community at large. It is nothing more nor less than a claim to a right to inflict suffering on innocent persons in order to gain your own ends. That is a state of affairs which cannot be tolerated in a civilized community. If two men should quarrel and come to

. . . Union disputes need "an impartial person"

fisticuffs in the street—or two gangs of men—so that the people in the neighborhood are put in trouble and distress, we should all say at once that they should not seek to resolve their quarrels by coming to blows, but should take them before the courts of law. So also with disputes between unions, or between a group of men and the union to which they belong. They should be resolved not by force of arms or force of strikes but by some impartial person or persons in whom the people at large have confidence.

Some Strikes "Unthinkable"

It is unthinkable that professional men such as doctors or teachers should so far forget their duty to the public as to go on strike, or even that farm workers should forget their duty to their animals. So also it should be with dockers or seamen who have an equally high duty to the community. So long as there is no impartial tribunal available, there may be no alternative. A strike may be the only way in which they can get justice. For over a hundred years that has been the case. It is the reason why we have recognized the right to strike as we have. But, at the present day, in a civilized community these trade-union disputes should be settled by an impartial tribunal as a matter of course, just as other disputes are settled by the courts.

William Temple once pointed out that it is the only true way for the Christian. Take, he said, a committee of employers and workmen on the verge of a strike. They are to be actuated by love, but who are they to love, employers or workmen? Of course, both. But that does not help them much to decide what terms should be offered or accepted. Love, he said, in society finds its primary expression through justice, and this means in practice that each side should state its case as strongly as it can before the most impartial tribunal available, with determination to accept the award of the tribunal. At least that puts the two parties on level, and is to that extent in accord with the command: "Thou shalt love they neighbor as thyself."

That is what happens in ordinary disputes before the courts. It should happen in these trade-union disputes also which loom so largely in public eye today.

Foregoing are extracts from an address by Lord Justice Denning before the convention of the American Bar Association, Philadelphia, Aug. 25, 1955.

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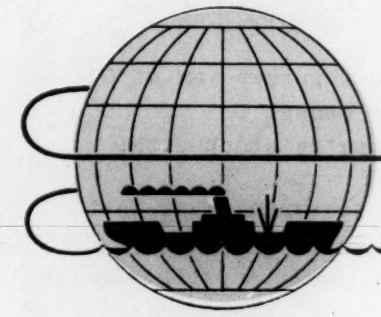


Business Around the World

MOSCOW • PRAGUE • LONDON • TOKYO • HONG KONG

›› When you ask how business is in Russia.....

Soviet bosses admit production is just one headache after another.

Shortages plague the economy. Steel is short. Transport is even shorter. Meat is scarce. Housing is very short. Consumer goods are scarce, quality poor.

Production, despite 38 years of trying, can't seem to overtake demand.

Labor shortage is worst of all. This is Moscow's big reason for its announced cut of 640,000 men in the armed forces. They're needed on the farms.

Waste of labor, of materials, worries Soviet managers. Need for efficiency compels them to send trained scouts to examine U.S. farms, industry, housing.

Prices? High and going higher, except where kept under arbitrary control. Inflation? It's chronic, but now building up an extra-large head of steam.

Business profits? Moscow gets deficits instead, conceals them in budget.

›› Only Soviet surplus seems to be a surplus of printing-press money.

Ruble output is rising faster than farm or industrial output. Money income of Russians, since '52, has risen 25 per cent faster than production of goods.

Ruble supply is to go even higher. Peasants have to be paid still higher prices to bring up production. Wage payments will keep rising unless worker efficiency can be sharply improved, unless plant managers can be prevented from illegal hiring of extra hands to meet production goals imposed by Moscow. Waste of materials, a standard complaint, means shortages, high prices, more rubles.

›› One of Moscow's solutions is to siphon off excess rubles by forced savings. They'll total 8 billion dollars this year, double the 1954 figure. Another remedy is to permit prices on some items much in demand to go sky-high. Basic remedy is a campaign to step up productivity per worker. It may be a long campaign.

Outlook is that too many rubles will chase too few goods indefinitely. In time, Russians can expect devaluation to wipe out debts--and savings.

›› To show how Soviet system is working in satellites, in Czechoslovakia for example.....Systematic cheating has become a major cause of inflation. It works this way: By worker-manager collusion, output goals per worker are set low. This permits workers to earn premiums for overfulfillment. In machine-tool industry, 49 per cent of the workers have been exceeding their goals by 100 per cent.

Result is, of course, higher wages for less production.

In addition: Production schedules are rigged to require overtime pay, and favored workers connive with managers to upgrade their wage classifications.

Manufacturing costs rise, under this system. Deficits then have to be paid out of Government funds. Deficit operation tends to become the rule.

(over)

Losses are then socialized in two ways--by levying a turnover tax of 60 to 80 per cent on consumer goods, and by printing more paper money.

It's not a system Czechs prefer, but it's the one they're stuck with.

>> West Europe's businessmen are being urged by Moscow to expand East-West trade--in the "spirit of Geneva." Nothing is said about Soviet shortages.

U.S. is blamed for obstructing trade through restrictions on strategic goods.

Moscow's idea is to build up, in Europe and U.S., so much business sentiment for more trade that Washington will take the wraps off strategic exports.

What's overlooked is fact that U.S. and Allies pruned list of restricted exports a year ago. East-West trade, however, hasn't increased much as result.

Also overlooked is that U.S. restrictions on strategic goods apply to a relatively small percentage of trade. Most items are not controlled. Under Communist system, all exports--strategic or otherwise--are controlled. They are turned on or off at will, for political reasons, to suit Communist policy.

Limiting factor in East-West trade isn't U.S. or U.S. policy, but ability of Soviet bloc to come up with goods with which to pay for imports from West.

>> When British exporters think back to Soviet promises of 1954.....

British sales to Russia at a rate of 400 million dollars' worth a year were talked about when a British trade mission visited Moscow in February, 1954.

Orders to date--19 months later--add up to about 50 million dollars.

Tokyo's experience is similar: Promises in 1954 of two-way trade totaling 80 million dollars a year; total to date--about 20 million.

You get the same story in Paris, Berlin, Teheran, Stockholm, Ankara.

The hitch is that the Soviet bloc can't deliver on its trade promises. So long as this is true, there's little the West can do to expand East-West trade.

>> Talk of expansion in trade with Communist China can be heavily discounted, whatever U.S., Japan or any other power does about relations with Peiping.

China experts in Hong Kong point to these basic limitations:

Soviet aid to China still has to be paid for, mainly by food exports.

Chinese food shortages, Peiping admits, may not ease for years.

Communist trade officials themselves foresee little chance for more trade any time soon. They don't say this to the West, but say so inside Peiping.

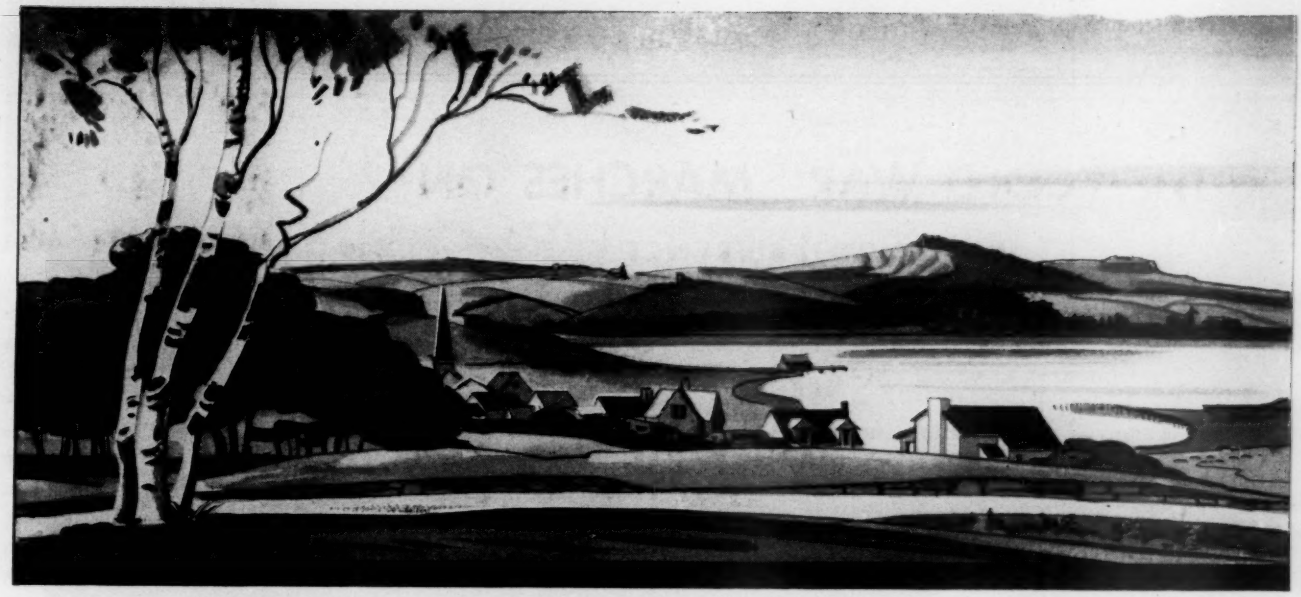
Moreover: Consumer-goods imports are not wanted. They're held down. Capital-goods imports will come mainly from Soviet bloc. Moscow has seen to that. It has tied Peiping to Soviet trade by selling it Soviet designs and technicians.

China, as a market, is something for the rather distant future.

>> In London, British manufacturers take a calm, detached view of the U.S. preference for American equipment for dam projects inside the U.S. Now that indignation over U.S. rejection of a British bid to provide generators for Chief Joseph Dam has subsided somewhat, industrialists make these points:

Competition with U.S. firms on projects inside U.S. can cost more than it is worth. U.S. makers of heavy electrical stuff are big firms. They don't rely on exports. British electrical firms do. If these U.S. firms chose to move into major British markets--including Britain--they might underbid British firms. So why provoke U.S. industrialists on big jobs that are on U.S. soil?

Britain's press doesn't say this, but many important industrialists do.



When there is more "out there"

in here, the kids are happier

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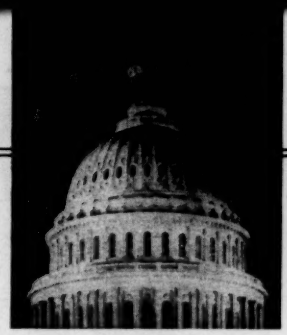
(This page presents the opinion of the Editor. The news pages are written by other staff members independently of these editorial views.)



THE "COLD WAR" MARCHES ON

BY DAVID LAWRENCE

DURING A "HOT WAR" official communiqués are issued regularly, telling of the movements of the major forces from week to week.

It is equally important that the world be apprised of what is happening at the front and behind the lines in the "cold war" of today. Here is an informal communiqué on the latest action in the "cold war":

GREECE: A staunch ally of the West has been swept by waves of bitterness over the issue of self-determination for the island of Cyprus now held by Great Britain. Turkey opposes any change. The question has long been slumbering but it has been given new impetus by agents of the Communists, who play one side in Turkey and the opposite in Greece.

TURKEY: A new front has been opened up by the Communists. Taking advantage of the ill-feeling over the Cyprus issue, unknown persons dynamited a Turkish consulate in Greece. Riots in retaliation were instigated in Turkey. Finally martial law had to be proclaimed there last week. The Turkish-Greek cooperation so essential to a Balkan military alliance desired by the West has been imperiled. The Turkish Government officially blames the Communists for inspiring the trouble.

ISRAEL: The fighting with the Egyptians on the Gaza strip was intensified last week. It brought the United Nations into the picture. The Israel Government has shown signs of lining up with the West.

THE ARAB WORLD: Sympathies of the Arab countries are with Egypt in her friction with Israel, and there is no longer any secret about Russia's offer to give or sell arms to the Arab countries. Thus the Kremlin is exploiting the Israel-Egypt conflict to the utmost.

ALGERIA: Strong steps have been taken by the French to quell rebellion. Nationalism is the issue, but the poorly equipped nationalist movement has had help from the Communist underground.

MOROCCO: The Communists have definitely added momentum to the nationalist movement. It takes only a few agents and a handful of well trained terrorists to inflame the populace by instigating riots and provoking violence. American air bases in Morocco, vital in case of war, are endangered.

The net result to date has been the sending to Africa of two divisions of French troops needed by NATO in Europe. Here is a military objective that the "cold war" seems able to accomplish more easily than might be the case in a "hot war."

INDIA: Nehru is prodded on all sides to do something about annexing Goa, a Portuguese province. The Indian Premier at first acquiesced in the "non-violence" marches into Goa but soon found the situation was out of hand as the Communists stormed Portuguese consulates and excited the populace so that violence broke out in many parts of India. The Communists now are criticizing Nehru in Parliament for squelching the disturbances. The battle still goes on.

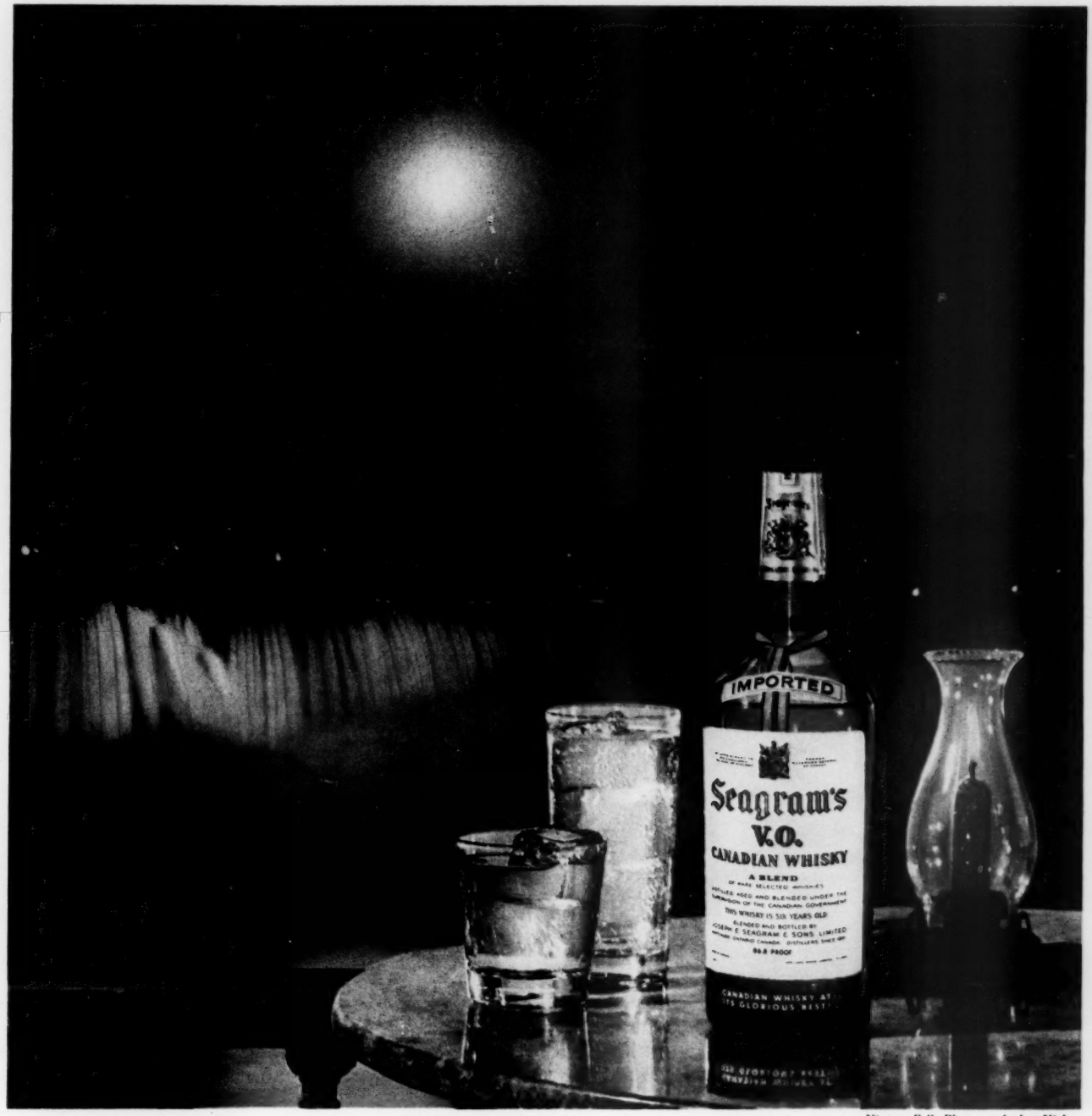
GERMANY: Just before Chancellor Adenauer left last week on his trip to Moscow to negotiate a resumption of diplomatic relations between the Soviets and West Germany's Government, it was discovered that Communist agents had infiltrated the West German Foreign Office. Communists have been active in West Germany in stirring up dissension as between the political parties and in playing upon nationalistic feelings. The German situation is at the moment the focus of Communist efforts. They hope to bring about through the Adenauer visit a bitter debate inside West Germany. The objective is to detach all Germany from the West and to prevent rearmament by offering the Germans unity in exchange for neutrality.

RED CHINA: The island of Quemoy has been shelled frequently in the last few days despite the talk that a "cease fire" has been silently adopted. The Peiping Government has released a few more Americans, and —as a ransom price—expects the present negotiations at Geneva to lead to a meeting of Red China's Foreign Minister and Secretary of State Dulles. This is an important propaganda objective of the Communists, needed to convince the people of Asia that the appeasers in America who advocate admission of Red China into the U. N. are beginning to get their way.

THE UNITED STATES: The drive to break down the security system is making progress. It is being stimulated by certain members of Congress who have exaggerated the importance of a few bungles in the handling of security cases.

But the most important development is the sudden decision of the Department of Defense to recommend to Congress a cut in armaments. Evidently it is thought that "peaceful coexistence" doesn't require as big an arms budget for America as before. The issue will split both political parties.

A "cold war" can turn into a "hot war" at any moment. Yet without a single piece of evidence that the "cold war" has abated or that any of Russia's or Red China's goals have been abandoned, the West is beginning to take at face value the Communist professions of peaceful intent. That's the biggest advance the Communists have made in many years in the "cold war."



Niagara Falls Photographed at Night

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